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# the thugs of Europe

the truth about the  
German people and its rulers

by  
ALBERT NORDEN

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German people and its rulers*

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# I N T R O D U C T I O N

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This is a portrayal of the face of Germany.

It is an answer to the question: Is this second World War a war of the "Have-nots" against the "Haves," as Hitler asserts, of the poor peoples against the rich peoples, of the socialist nations against the plutocratic nations?

This booklet, important for every American, but addressed primarily to German Americans, is based on nothing but official statistics of the Hitler Government or statements in the National-Socialist press. The facts are therefore all the more forceful and imposing. They permit but a single conclusion: never have the plutocrats within Germany itself held such arbitrary and unlimited sway. They financed Hitler and brought him into power. With him they waged war on the German people and are now waging war on the world. They won the first war; but they must and shall lose the second war—with the help of the German people.

A frightful correlation between death and wealth exists in Germany. The more soldiers die—and by the end of 1942 there are already as many German dead as in the entire first World War—the greater the increase in wealth and power of Krupp, Roehling, Mannesmann and Kloeckner, of the Chemical Trusts and the big banks, of the Silesian barons and the Nazi newly-rich. No, this is no war for the self-determination of the German people. It is a war for the conquest of the world by these brigands who have crushed the German people in order to set themselves up as leaders.

If the Third Reich were for the common man, as Goebbels' propaganda would have us believe, there would not be hundreds of thousands of German progressives sitting in the prisons of Germany; nor would those who advocate political and economic democracy in Germany be precisely the ones who are being executed.

If the Third Reich were for the common man, there would be no religious persecutions. The greatest minds of German culture, the outstanding scientists, writers and artists would not have been driven out of the country or remained in "exile" inside Germany, where they maintain an attitude of icy silence towards the Nazi regime.

If the Third Reich were for the common man, the middle-class would not have been sacrificed to the Moloch of big business.

If the Third Reich were for the common man, the banks and industries and resources of the sub-soil would belong to the people and not be the private affair of a few score old and newly-rich.

If the Third Reich were for the common man, it would not be the Third Reich. But as it is now, it is the rich man's Reich.

That is why there is such a widespread, underground anti-Nazi movement among the German people. From 1933 to the outbreak of the second World

War almost 2,000,000 German men and women were detained for some time—and many of them permanently—in concentration-camps, prisons, houses of correction, and Gestapo headquarters. This is proof enough of the breadth and depth of the underground movement against Nazism.

We believe in that movement because we believe in the greatness of the German people. It deserves a better fate than to go through life with head bent low and end up in a Hitlerite slaughter-house.

There is absolutely no contradiction between attachment to the German language, to German origins and the German people on the one hand and responsibility to America as one's adopted fatherland on the other. These feelings coincide. It is not only a question of protecting this continent from the racial barbarism of the swastika, of preventing the muzzling of every American and of preventing the hangman from becoming the busiest person in the country. As we carry the banner of democracy into the fight, we struggle at the same time for the German people—not against Germany, but against its tyrannical rulers. Conscious of our German origins, we wish to help the land of Schiller, Goethe and Heine, the land of Johann Sebastian Bach and Beethoven, the land of great scientists and inventors, the land of the founders of Socialism re-gain its freedom and again take its honorable place in the family of free peoples. In the first 6 years of the Hitler dictatorship at least 12,000 Germans, murdered by the Gestapo, spilled their pure blood drop by drop for the sake of that high purpose. To that end new victims are falling daily in "the war-theater inside Germany" (Kriegsschauplatz Innerdeutschland"), to quote the expression used by the very head of the Gestapo, Heinrich Himmler.

The German revolution is knocking at the door. The careful observer, his senses sharpened, already hears the low rumbling and feels the first tremors of the earth. The explosion will turn Germany into a volcano swallowing up the Nazi rulers. The tears of the women widowed by Hitler, the sighs of the millions of wounded and crippled, the grumbling of the exhausted, hungry and recalcitrant German and foreign work-slaves will change to battle-cries, millions of battle-cries against the imperialistic Nazi "master-race." Under the slogan of "Peace, bread, freedom" a new Germany will be born; and the world will recognize in its men and women executors of the will of German fighters for freedom of the past.

It is the duty of the German-American to proclaim solidarity with these men of freedom. It is our duty to fight this people's war against the Axis with passion and in an offensive spirit. By so doing, we defend both America and the German people.

We will fulfill this duty.



## AT THE GRAVE OF THE GERMAN MIDDLE CLASS

This war is being waged by the Third Reich, the heart of the Axis, as a "struggle of German Socialism against the plutocracies." Goebbels has duped millions of young Germans with this slogan. Not only that: Nazi propaganda outside Germany and particularly in North and South America has succeeded in recruiting blind followers with this slogan. Large sections of the population in colonial and semi-colonial countries, ill-informed of events in Europe, still fall victim to the propaganda which depicts Hitler as a liberator. In Trinidad the writer spoke to a Negro skilled worker who, in his bitterness against the English colonial rulers, made no secret of his hopes for a Hitler victory. When I tried to show him the disastrous consequences of a Hitler victory for workers in general and for the Negro people in particular, the Negro worker remained skeptical—and this was in the third summer of the war!

The Nazi theory of a struggle of the "Have-nots" against the so-called "sated" nations is as true as the fact that Goebbels is an Aryan and Goering a Socialist! The following facts taken from official German statistics prove that in the Third Reich there is a boundless dictatorship of the plutocrats; that a small group of magnates in the banking, industrial and chemical world have taken hold of the entire economic apparatus at the expense of the broad sections of medium and small manufacturers, artisans, storekeepers and workers and are making unprecedented profits.

In his program Hitler promised the middle class preference in all government jobs, abolition of interest on loans, breaking the power of the trusts and cartels, and dividing up the department stores. Each of these points could only have been carried out at the expense of finance-capital, to which Hitler had made definite commitments which, in turn, spelled ruin for the middle class and workers. The great moment had arrived: the seizure of power. The artisans and small shopkeepers, organized in the "Fighting League of the Middle Class" ("Kampfbund des Gewerblichen Mittelstandes"), a Nazi organization founded in 1932, now demanded payment of their claims. They had been schooled to destroy Marxism. Everywhere they had killed Socialists and Communists, demolishing workers' headquarters and trade union offices. Now that Hitler had triumphed they wanted to reap the fruits. But the Nazi leaders offered them cheap laurels instead—laurels which pleased neither their senses nor their pocket-books. Let us glance at the story of the political and economic decline of the middle classes in the Third Reich, a story the details of which are still largely unknown.

### Shattered Hopes

In the spring of 1933 officials of the "Fighting League of the Middle Class" entered the offices of the large industrial and commercial enterprises and set themselves up as commissars to supervise the way these businesses were being run. When they met with resistance they tried—and at times suc-

ceeded—to have the head of the firm removed or even arrested. They unleashed a stubborn struggle to control the Chambers of Commerce and Industry, seeking to put small manufacturers and businessmen at their head. Hundreds of small tradesmen and storekeepers marched at the entrances of the department stores as boycott-sentries. They were bent on driving their owners out of business and on forcing "the immediate renting at cheap rentals to small businessmen," as was promised in Paragraph 16 of the 25-point Nazi program.

Now never yet in modern history has the middle class, relying solely on itself and without an alliance with other social strata, successfully played an independent role or triumphed in the social struggle. Nor can it do so as long as it remains under reactionary leadership. Here was another proof of this fact. The Nazi leaders did not hesitate one moment in their decision when the big industrialists and bankers began to complain. One after another, Hitler, Goering and Hess—in May, June and July, 1933—issued sharp warnings against "attacks on business"; and Hess ordered all activities against department stores to cease. At the same time the Nazi party leaders ordered the expulsion of all party members who had demonstrated even the slightest violence when they occupied the offices and directorates of the big firms. Already by August, 1933, the high hopes which millions of little people had pinned on Hitler had been rudely shattered. The Minister of Economy at that time, Kurt Schmitt, chairman of the board of the A.E.G. Electricity Trust and of the largest German insurance companies, ordered the immediate recall of all commissars from large businesses. At the same time the leaders of the struggle of the middle class against the trusts, the Nazi business-consultant Dr. Wagner and several lesser officials allied with him, were sent to concentration camps. Before the month had ended the "Fighting League of the Middle Class" was no more. It was dissolved by the same Nazi leaders who had received the legal right to dissolve organizations from the millions of votes of middle class people.

To be sure, the cry for "the second revolution" still resounded. To stifle it the blood-bath of June 30, 1934, was necessary. The massacre of the entire leadership of the Storm-Troopers on the pretext of homosexuality closed the short chapter of independent action by the middle class with a smashing political victory by big capital. The demands of the S. A. leadership had been a vague, fumbling expression of the German middle-classes.

It should not be forgotten that two days before he had his "old guard" slaughtered, Hitler visited Essen in the Ruhr and had lengthy negotiations with Krupp von Bohlen and Halbach, head of the mammoth armaments firm.

### **Those Who Really Benefited from the Jewish Pogroms**

Under Hitler the much-maligned department stores actually did get new proprietors—but not one of them was a member of the middle class. The department stores of the Jewish owner Tietz were handed over to a consortium consisting of the three largest private banks, the Deutsche Bank, the Dresdener Bank and the Commerz- und Privatbank. The chairman of the board was the "aryan" textile and artificial silk magnate Abraham Frowein who later utilized the Nazi occupation of Holland to become one of the heads of Aku, the artificial silk trust covering the European continent. This beneficiary of Hitler's pogroms and wars is completely cosmopolitan in his business dealings. His



holdings and those of his sons include 64 directorates in firms throughout Europe as well as in England and North America.

Take the example of the large department store, Karstadt. Was it handed over to middle class owners? Today, of its eight directors four are big bankers, one a large exporter and a sixth man an influential figure in the Deutsche Bank and partner in large insurance companies. The head of the concern is Privy Councillor Fellingner, chairman of the board of the large Didier Machine Works, who is also interested in Polish pottery factories, Turkish gas and electric companies, Silesian coal-mines, chemical plants, real estate concerns and printing plants.

In their agitation in favor of the middle class the Nazis fought bitterly against the one-price firm of Epa, roughly similar to the Woolworth 5-and-10 cent stores in America, which was accused of dishonestly underselling small retail stores. Well, the Epa stores are still doing business; in fact, they are in the hands of exactly the same group as that which controls the Karstadt concern.

The department store of Schocken, an important firm in Central Germany, has had a checkered career. After Hitler's accession to power it passed into English hands and then, a year before the outbreak of the second World War, was purchased by a syndicate led by the Deutsche Bank. An intermediary in the transaction was the Amsterdam banking house of Rhodius Koenigs, a stronghold of the Fifth Column in Holland.

"It's the fault of the Jews!" The Nazis had dinned into the people's ears. The Nazi Party program asserts: "The peoples are dominated by the money- or interest-rule of Jewish high finance." Hitler attracted millions of small merchants, artisans and peasants hard hit by the crisis with his anti-Semitic battlecries.

What they had hoped for—the taking over of the department stores—was refused them by the self-same Nazi leaders who, before Hitler took power, had promised them everything, including the department stores. But these passed into the hands of high finance about which the Nazi leaders never spoke because they were in league together. As a result of the Nazi pogroms these real "money- and interest-rulers" acquired still more wealth at no cost.

The more Jews were dragged off and murdered in concentration camps, the richer Germany's magnates became. They let the S. S. and S. A. mobs riot and trample all human laws under their hobnail boots—meanwhile the Dresdener Bank acquired the Berlin bank of Bleichroeder and Arnhold Brothers, the Deutsche Bank seized the Mendelssohn Bank. In the Berliner Handelsgesellschaft, an important private bank, Herbert Goering, a relative of Marshal Hermann Goering, replaced the Jewish partner Fuerstenberg. The Warburg Bank in Hamburg was taken over by the Deutsche Bank and the Dresdener Bank in conjunction with the Montan Combine of Haniel and the Siemens Trust. The latter also took out of Jewish hands the Cassierer Cable Works and the Heliowatt Works in Berlin. A firm which has since been absorbed by the A.E.G. Electricity Trust got the Hirsch Copper and Brass Works. The armaments-kings of the Ruhr did not shrink from profiting from the pogroms. As a result of Hitler's persecution of the Jews, the Mannesmann concern received the metal company of Wolff, Netter and Jacobi and the Hahnschen Works; while the big industrialist Friedrich Flick, today one of the 20 richest



men in the Third Reich, seized the metal company of Rawack and Gruenfeld.

This list could be extended at will. It illustrates the prosperous business which the solidly established German trusts acquired as a result of the infamous crimes against the Jews. Together with the top Nazi leaders these German financial magnates were the main beneficiaries of the sadistic persecution of the Jews. The middle-class people were good enough to play the role of hunters pursuing the quarry. But when the booty was brought in, they left empty-handed. So, having been blind to the role of their real enemy, they now groaned beneath a heavy burden of taxes and similar ruinous measures.

The Hitler regime has given every middle-class person a "Commodity Bought and Sold book" in which every ball of yarn, every herring, every inkwell, every package of baking-soda—in short every commodity—has to be entered so that the tax-collector will not overlook the slightest purchase or sale. Henceforth it was impossible to escape taxation on every commodity. Moreover the turnover tax for big business was reduced to one-half percent on all commodities, while for little business it was raised to 2%. The decree establishing price-ceilings was eliminated so that big business under Hitler was able to raise prices on numerous occasions. Thus in the years immediately preceding the outbreak of the present war, tens of thousands of small businessmen were able to get prices which just barely covered their own costs, and sometimes were even lower. That is why small businesses were liquidated on a mass scale in Germany.

The war has quickened this tempo, especially because of the impossibility of getting commodities. Whoever walks through the streets of Berlin, Hamburg or other large cities will find thousands of businesses standing empty, their proprietors in bankruptcy. In the year 1937, according to official figures, in the Berlin-Brandenburg district alone the number of individual stores declined from 52,800 to 41,900. According to the "Frankfurter Zeitung" 35% of the individually owned stores in Germany have a monthly income under 125 marks, a sum which is still further reduced by taxes. Thus the earnings of more than one-third of the individual storekeepers in Germany have fallen below a subsistence minimum.

One may object that this is one of the fatal end-results of capitalist development which leads to an increasing elimination of the middle-class by big business and industry. But what distinguishes the Hitler regime in this respect from all other governments is not only that it made definite promises to the middle class, not one of which it kept, but also that the government of the Third Reich a long time before the outbreak of the war had passed the death-sentence on over a million members of the middle class and carried it out, thus profiting the wealthiest sections of German finance-capital.

### **The Government Drives 1,000,000 Small Businessmen Out of Their Shops**

From the beginning of the Hitler regime everything it did proved disadvantageous to the middle class. Since 1937 the government itself has ordered innumerable small shops and stores to be shut. The preparation of Hitler, Goering and Krupp for total war against the world made it necessary to increase war production to the maximum. So out of their stores, and into the large war industries the small merchants and storekeepers were driven! Judging solely from official Nazi party papers in the year 1939 alone the authorities

put 40,000 tobacconists out of business simply by refusing them an official permit to continue because their turnover did not reach a given sum. In the same year 600 proprietors of milk companies in Hamburg were ordered to close their business because their turnover did not seem sufficiently high to the Nazi officials in charge. Munich, "the capital of the Nazi movement," ordered the owners of 1500 food and milk stores to liquidate. The reason given was that these fields were "overcrowded."

It is typical of the Nazi dictatorship that not only do the small businessmen get no official support, they are brutally eliminated at the discretion of the authorities of the Third Reich. At the end of 1938 the authorities in Mannheim ordered 40% of all food shops to be closed because their turnover remained under 10,000 marks yearly. There are similar examples from almost every other German city. By force and official decree as well as by economic strangulation the Third Reich has driven the entire lower-middle class into the ranks of the working class.

### **Daily the Nazis Eliminate 208 Artisans!**

What we have shown is not only true of shopkeepers; it is even more relevant in the case of independent handicraft-workers or artisans. Their elimination is proceeding in a two-fold manner. To begin with, artisans are consciously denied a share of the indispensable raw materials which are monopolized by the big armaments factories. Hence in the general shortage of raw materials in the Third Reich there is literally nothing left for the artisans. The German press speaks bluntly of "preference for large-scale industry now and in the future in view of the nature and scope of our national-political task"—that means, war production. This is the first step on the road to ruin of the artisans of the lower-middle class: they are unable to work, prevented from filling their orders and thus lose their customers.

Then the second step began. After the lot of the small manufacturers had been made as hard as possible, the government declared that 500,000 to 600,000 of the 1,600,000 artisans in Germany were superfluous. It was necessary to "eliminate unprofitable businesses in the building and artisan trades so that these artisans can be placed as specialists within the framework of the Four-year plan." (*Frankfurter Zeitung*, Feb. 16, 1937). From April 1, 1936, to April 1, 1938, the number of artisans was lessened by 104,000. That means that every day on the average 142 workshops in Germany were ruined. Since then the tempo has increased because now the demand for specialized workers in factories producing for war has become ever more urgent. Not only were small shops subjected to economic strangulation, they were ordered, forced and legislated out of business. From 1938 to 1939, 76,000 small shops were closed by the authorities. (*Deutsche Allgemeine Zeitung*, July 29, 1939.) That represents a daily average of 208 small shops eliminated by the authorities.

Since the autumn of 1939 the Nazi press has grown very cautious and chary of figures, containing practically no further statistics about the plight of the German middle class. But no doubt the Nazi government has succeeded in disposing of the above figure of 600,000 small shops, sending their owners and apprentices either into important repair-shops of the motorized army units or into the factories of the munitions-kings.



The second World War has brought a sharp increase in the mortality-rate not only of so-called one-man businesses but also businesses employing a small number of workers. In 1940 Commissions were set up in every German District Labor Office to investigate small shops. Commissions were also set up to study enterprises with more than 200 workers. The result:

"On the basis of these investigations, in the past year approximately 480,000 workers were released, thus supplying the war production industries with a substantial labor-force. This spring the investigation of shops will be considerably intensified. At the present time the problem is to release workers from plants now working on civilian orders." ("Bulletin of the Deutsche Bank," May 31, 1941.)

In this way more thousands of slightly larger shops have been eliminated. The State makes it impossible for the small manufacturer to stay in business by withholding raw materials from him, taking away his workers and dictating prices. The trusts using speed-up and efficiency methods are able to make profits; but the small manufacturer is unable to do so.

### Roesler Triumphs Over Schmidt

There remains a third section of the middle-class to be considered. The two usual forms of corporations in Germany are the joint-stock company and the so-called limited liability company (*Gesellschaft mit beschränkter Haftung*). The first is characteristic of the large-scale enterprises of finance-capital, the latter is generally found in the field of trade and manufacturing. But in both these types of companies the middle class traditionally sought a profitable place to invest the money it had saved, either as a small shareholder in a large enterprise or by investing money in a business with a small capital. The Hitler regime has succeeded in simply liquidating the latter type and in stripping the former type of all rights.

The so-called shareholders' reform law put into effect in 1937 by the government turned the general shareholders' meeting, which hitherto had possessed certain powers with regard to all important problems of the enterprise and at which small shareholders could also speak, into a body which has about as much to say as the Reichstag has had since 1933. Hence the Board of Directors appointed by the Supervisory Board, an instrument of the majority shareholder with the most capital, became all-powerful. It could decide whether or not to give any information to the shareholders. At any rate the general shareholders' meeting can no longer make suggestions to the board or pass resolutions if the board does not expressly call for these. In the very words of the German framer of the law, the general meeting has become "a deposed king."

This measure was directed exclusively against small stockholders, who are thus deprived of any discussion or protest against the dominant policy of the small group at the head of the enterprise. The "Deutsche Volkswirt," newspaper of German business, characterized this shareholders' reform law quite bluntly in September, 1938, as "starving out minorities"—that is, small shareholders of the middle class. The other clauses in the law breathe a similarly reactionary spirit. Not a word about limiting the enormous fees of the directors, sometimes running into millions of marks. No real measures against a single individual accumulating seats on many boards of directors.

Yet the works-councils set up in 1922 and representing the factory employees were abolished, as well as the elections for these works-councils.

In order to leave big capital undisturbed, the Hitler government decided that no more shares of less than 1,000 marks would be issued, thus barring even more firmly to the small investors the road to the joint-stock companies.

Typical of the way in which the Third Reich treats small investors was a clash which took place in 1940 at the general meeting of the Mannesmann Mining Co. When a listener rose and protested against discrimination of small shareholders, he declared among other things that the management of an iron firm needed an expert rather than a banker at its head. Whereupon the Chairman of the Board, Oswald Roesler, likewise director of the largest financial house in Germany, the Deutsche Bank, demolished his opponent with the following calm statement: "You, Herr Schmidt, represent 24,000 marks worth of shares; but I represent 43,000,000." What effective reply could there be to such a convincing argument? It is the old story of big capital gobbling up small capital, only since Hitler the process has been sharpened and accelerated. Everywhere the Roeslers, with government support, ride roughshod over the Schmidts.

### Hitler's Death-blow to the Small Capitalists

As in the case of artisans and small merchants, the Hitler government gave a death-blow to the stock-companies possessing small capital. In 1937 a law was issued providing for the dissolution of all joint-stock companies with a capital of less than 100,000 marks by the end of 1940; at the same time it was forbidden to start new stock-companies of less than 500,000 marks capital unless express permission was granted by the government. When this period elapsed there still remained a few companies under 100,000 marks but they represented a sorry handful.<sup>1</sup>

This high mortality of small joint-stock companies in a period of upturn is unparalleled in German economic history. In 1931 the total number of stock-companies was 10,437, at the end of 1936 7,204 and at the end of 1941 only 5,418 (in this last figure the annexed territories of Austria, Memel and the Sudetenland are included). Actually, therefore, in nine years the number of German stock-companies has been halved. Four-fifths of the companies which ceased to exist were in the category of small enterprises of less than 500,000 marks capital. Meanwhile the role of large enterprises over 5,000,000 marks became more decisive. Statistically at the end of the first year of war they comprised 13% of all stock companies—as for capital investment, they comprised 79%. At the beginning of the Hitler dictatorship the figure was barely 74%. These figures illustrate the increasing concentration of capital thanks to the measures of the Nazi regime.

There is a similar development in the other type of German company, the so-called limited liability company.<sup>2</sup> Here too a story of massive eliminations. It was hardly a consolation to the victims to know that in the same period 1936-40 which dealt so harshly with them, the limited liability companies with over 5,000,000 marks capital increased their percentage in the total capital of this type of company from 30 to 40.4%. And it is an evil

<sup>1</sup> For statistical picture of joint-stock companies see Appendix.

<sup>2</sup> For statistical picture of limited liability companies see Appendix.



omen when the "Frankfurter Zeitung," organ of the Chemical Trust, announces menacingly as it did on Oct. 21, 1941: "The number of limited liability companies with less than 20,000 marks capital is undoubtedly still far too high."

Whichever group of the German middle class engaged in trade or industry one considers, the result is inevitably the same: a blood-letting without parallel and impoverishment all along the line. Hitler's regime of a "people's community" and "elimination of the class-struggle" has hastened, as no previous regime has done, the crystallization of classes in German society, dealing terrible blows to the middle class and favoring the upper ten thousand in striking fashion. In ten years of the Nazi regime the lower-middle class in Germany has been more ruined and declassed than in the preceding 50 years. Even the fact that several tens of thousands of sons of the middle class received jobs from the State as civil servants or S. S. torturers cannot compensate for the ruin of far more than a million middle class people and their families since the access of Hitler to power.<sup>1</sup>

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<sup>1</sup> On February 4, 1943, during the official days of mourning for the Nazi 6th Army destroyed at Stalingrad, the Hitler government ordered general mobilization of the remaining civilian forces within Germany. By a decree of Economics Minister Walter Funk, 120,000 more retail shops were ordered shut by March 15, 1943. The 300,000 proprietors and employees were ordered to report for the army or for work in war industries. A law issued at the same time forced all artisans and small manufacturers who are not directly connected with war production to yield their entire personnel to the government for induction into armament factories. It is quite clear that these measures signify a death-blow to the German middle class. All it has left is a choice between fighting on the battlefield or working in the plants of the German munitions kings. For them the German middle class has been forced to relinquish its independence; for them it must now pour out its sweat and blood. (Note added in 2nd edition).



## NAZIS, PRINCES AND PEASANTS

It was the bloodiest brawl which ever occurred in the Prussian parliament. The Nazi deputies brandishing brass-knuckles rushed to the other side of the hall where the numerically weaker Communists were seated. I can no longer remember the cause of this incident which took place in 1932; but I can still see before me the man who directly beneath the speaker's platform raised his arm decorated with a swastika armband and hit a white-haired workers' deputy. Later the Nazi deputies, gathered around a piano in one of the corridors of the parliament, celebrated the battle they had won by singing Nazi hymns. The pianist accompanying their songs, a man with a hooked nose, blue eyes, receding forehead and brown hair stiffly brushed back, was the brawler I had seen a few minutes before.

It was August Wilhelm, Prince of Prussia, youngest son of ex-Kaiser Wilhelm II. He is the official delegate of the royal family in the Nazi party and a featured attraction at their propaganda meetings where, under the slogan of "Prince and worker," they present the scion of the Hohenzollerns together with some Gauleiter or other who takes pride in his pseudo-proletarian origins.

The Kaiser's son was but one of the many high aristocrats who early supported and joined the Nazi party. In 1926 Adolf Hitler against strong opposition in his own party issued a strict ban on any participation in popular movements to expropriate the nobility. Since then, a great many princes have joined his movement. Already in 1922 the Duke of Saxe-Coburg-Gotha, grandson of Queen Victoria, played the role of protector of Hitler's party. His mediaeval seat of residence in North Bavaria, Coburg, was the scene of the first drills and terrorist crimes by the Nazi guards. The Duke himself visited various German and international Courts and drawing-rooms to gain favor and credits for the Nazis.

### The Princes of Hesse

That is how the Princes of Hesse entered the political arena. A long and bloody tradition predestined them for such a part. Their ancestors had tortured to death the leader of the first German revolution, the great Peasant's War of 1525: Pastor Thomas Muenzer. Another forebear had sold one-twentieth of his retainers for 100-150 Talers per head to England, who used these Hessians to stifle young America's fight for independence. Their father, at the insistence of Baron, now Field-Marshal, von Mannerheim, was "elected" in October, 1918, King of Finland by the parliament at Helsingfors. However, the German revolution which broke out a month later and Germany's defeat on the battlefield prevented this newly hatched king from ascending his throne.

His sons wore swastika armbands. It was well worth while. They are all high dignitaries in the Third Reich. There is an interesting photo extant from the early period of the Nazi regime: it shows the large market-place in Kassel. In the center fat Goering parades his enormous body, his breast so

thickly covered with medals and decorations that there is even one pinned beneath his waist-line. Behind him stands Philipp, Prince of Hesse, next to his wife Mafalda, daughter of the King of Italy, listening to the speech in which Goering appointed him Governor of Hesse.

That was in the summer of 1933. In the meantime his brothers have also had prosperous careers. Richard, Prince of Hesse, has been promoted leader of the Nazi motorized corps of Hesse, an organization which has since become an integral part of Hitler's motorized shock-troops. Christof, Prince of Hesse, functions as a Government Councillor in the provincial government of Prussia and a colonel in Himmler's S. S. blackshirts. The last of the princes of Hesse, before the war attaché of the German Embassy in London, there married Margaret Geddes, daughter of the head of the financially powerful Rio Tinto Mines. The marriage took place at the very height of the Spanish war. The mines of Rio Tinto are in southern Spain; and the father-in-law of the Prince of Hesse used his great influence on the Chamberlain Government to assure a victory for Franco—that is, for Hitler.

Many other German princes followed the example of the Princes of Hohenzollern, Hesse, and Saxe-Coburg-Gotha. Josias, hereditary prince of Waldeck and Pyrmont, married to the Duchess of Oldenburg, rules over large sections of Thuringia, Hesse and Westphalia as a General in the S. S. blackshirts. The Prince is a member of Hitler's liaison staff; and Hitler has appointed him a judge in the notorious "People's Courts" which have sent so many staunch German opponents of the Nazi regime to the scaffold. Josias' brother Max commands a division in the Nazi army which invaded Soviet Russia. The Prince zu Lippe also bears the rank of general in the S. S. and is a top official in the Reich Food Ministry. It is significant to note the important role which both the lesser and higher nobility play in the S. S., the same S. S. which has earned such a hateful reputation because of its mass-murders in German concentration camps and now its heinous crimes in the occupied nations of Europe. Not one of these princes has risen from the bottom of the ladder in the Hitlerite "people's community". All of them, privileged by birth, are at the top of the hierarchy in the Nazi pyramid.

In 1932 a tremendous scandal exploded in Germany. It concerned the so-called "Osthilfe," government subsidies destined for the needy farmers east of the Elbe which had found their way into the pockets of the landowning aristocrats. Among the beneficiaries were the House of the Hohenzollern and the President of the Republic, Field Marshal von Hindenburg, whose East Prussian property of Neudeck was involved in tax frauds. Hitler promised to suppress the entire scandal if he became Chancellor of the Reich. The interests of the aristocracy and of the munitions-kings whose war-mongering appetites were whetted by the appointment of Hitler coincided. So Hindenburg covered over this scandal of corruption with his disgraceful appointment of Hitler as Chancellor.

#### **412 Aristocrats Equal 1,000,000 Peasants**

Today the princes and their followers among the nobility are still the largest landowners in Germany.<sup>1</sup> Three thousand aristocrats own 2,630,000

<sup>1</sup> See Appendix for statistics on 25 leading landowners.



hectares<sup>1</sup> of tilled land.<sup>2</sup> On the other hand, over three million families of small farmers—60% of all those occupied in agriculture—own altogether only 1,500,000 hectares.<sup>3</sup> 0.15% of the landowners each possessing over 5000 hectares own altogether 10,100,000 hectares or almost 40% of the entire land under cultivation in Germany. It was none other than Walter Darre, the Nazi Food Minister who was removed in the summer of 1942, who declared in a letter written in August, 1936, to the Reich Statistical Bureau and published in the German press that 412 Junkers owned as much land as 1,000,000 peasants.

And how goes it now with these German peasants? To be sure, Hitler has declared them to be the "blood source of the nation," but they are treated like serfs in bondage. The fundamental right of freely disposing of his produce of field and garden has been taken from the German peasant. He is told what he has to plant. He must deliver to one of the organizations created by the Nazis all grain, milk, eggs and cattle ready for slaughter, at prices lower than those he was formerly able to obtain. This measure cannot be ascribed to the war. It was introduced several years before the outbreak of the war. The organization in question is the Reich Food Office (Reichsnaehrstand) employing 23,000 leading and more than 100,000 subsidiary paid officials. They are constant, uninvited guests at the farms from which they indiscriminately take all the products grown there. What the peasants lose is devoured by this tremendous, wasteful bureaucratic apparatus. No German middle or small peasant today can give his children butter on their bread. He has to deliver his milk; his butter machines have been sealed by the Reich Food Office. So he and his family have to eat margarine instead.

The official Institute for the Study of Business Cycles (Institut fuer Konjunkturforschung) admitted on May 22, 1940, that the amount of agricultural products which the peasants could keep for their own use has fallen from 27% in 1928-29 to 23% in 1938-39. And that was before the war began. Since then the situation has deteriorated. Thousands of peasants and their wives who try to sell their products directly to the city people as before have been arrested in the last few years and placed in jail. In 1942 there has literally not been a single day in which the German press has not reported prison terms for peasants who acted in defiance of the dictates of the Reich Food Office.

The high tariffs which the Hitler government has placed on the import of grain have permitted the large landowners who grow mainly grain to raise their prices steeply. But the lot of the small and middle peasants has grown worse; and this is true even of some of the large peasants whose cattle-breeding was largely based on grain fodder. Allotted insufficient ersatz feed, the peasants have slaughtered their cattle in droves in spite of the official ban.

But hasn't Hitler given the peasants some advantages? Hasn't he designated 750,000 of them as "hereditary peasants" whose farms cannot be mortgaged? Certainly! And he even gave them honorary functions in the Food Office. But since that time they have been unable to obtain any more credit precisely because they cannot mortgage their farm. Hitler has created

<sup>1</sup> One hectare equals 2.471 acres.

<sup>2</sup> Theodor Haebich, "Landwirtschaftliche Latifundien."

<sup>3</sup> Official Census of Agriculture — 1925.

bitter dissension within these hereditary families: the farm passes only to the son, while all the other children remain empty-handed.

It is no accident that in spite of the strictest ban the flight from the land since the inception of the Hitler regime has assumed extraordinary proportions. Ruined peasants and children of hereditary peasants other than the first-born have sought refuge in the cities. Since 1933 1,500,000 have left the German countryside. Among them is a large proportion of farm laborers who have been especially ill-treated by the Nazi regime. As in the case of all other workers, their trade unions were destroyed and they were not even allowed to join the Nazi ersatz, the German Labor Front. Instead of that they were placed at the disposal of the Reich Food Office, the national and provincial leaders of which are exclusively big landowners, Junker nobles and rich peasants. Moreover they were deprived of unemployment insurance, thus saving millions of marks for the Junkers and chaining the farm laborers to them more surely than ever. Through the institution of Labor Trustees created by Hitler the cash wage of the farm laborers was lessened from 10 to 35%. Thus the Labor Trustee for Pomerania, Admiral (!) Classen, decreed that the hourly cash wage of the Pomeranian farm laborer should be lowered from 14 to 9 Pfennige. The Labor Trustee of Hesse lowered the yearly wage (in cash and goods) from 980 to 820 marks.

The approximately 2,000,000 steady and 1,000,000 casual farm laborers of Germany are today—if they have not already found their eternal resting place in this war six feet underground—worse off than they were in the time of the Kaiser. They live worse than cattle on the estate of their Junker overlords.

Moviegoers may recall some of the news reels of the Nuremberg Nazi Party Congresses. One group pictured was particularly impressive: Young men, stripped to the waist and with well-tanned backs, marched past Hitler carrying a shovel on their shoulders; and the Fuehrer told them to become "as hard as Krupp's steel." These were 16 and 17 year-old youths from Labor Service camps, who before they did their term of military service had to put in six months or a full year of unpaid work. How this Labor Service was lauded both inside and outside Germany as "German Socialism," as a help to the poor! In reality most of the young fellows and girls were sent to estates in the East Elbe region. The Junkers rubbed their hands: German laborers are cheap, Polish casual laborers are cheaper; but the cheapest are these hundreds of thousands of Labor Service young people who now in the war are playing an important part in road building and construction of fortifications behind the front. No accident that the entire top leadership of the Labor Service consists of aristocrats: the two chief adjutants of the Reich Labor Fuehrer are Freiherr von Stetten-Erb and Freiherr von Miquel. The head of the Labor Service Office is Rudolf von Groener and the head of the personnel Baron Loeffelholz von Colberg. Strictly speaking, the Labor Service is a half-militarized organization for the furnishing and pre-military training of cheap farm labor in peacetime and for work on fortifications in wartime.

### People Without Space? — Space Without People!

The top man of the Labor Service is General Konstantin Hierl. In his book "Foundations of a German Military Policy" he has made a confession which cynically reveals some of the real reasons for Hitler's war-lust:



"The terrific pressure of a people without space weighing down upon our people will be exercised ever more sharply on the lowest and economically weakest strata of workers and peasants. Some day the flame of rage will burst forth from these strata. IF THE REVOLUTIONARY WILL TO LIBERATION OF THE LOWER STRATA IS NOT TO LEAD TO AN EXPLOSION, IT MUST BE TRANSFORMED INTO A SOURCE OF ENERGY FOR NATIONAL LIBERATION."

Translated into ordinary language: the completely unjust distribution of property in Germany, the concentration of wealth in a few hands as fostered and encouraged by the Nazis, may lead to a revolution. To prevent this, all responsibility for the misery and poverty of the broad masses must be diverted from those really responsible, the munitions-kings and the Junkers, and directed against foreign countries, thus sending the people into a chauvinistic frenzy.

Hence the slogan "People without space." It had to be invented for the sake of the big bankers and industrialists hungry for expansion; it had to be invented to give the Prussian generals, offshoots of the Junker clique, their war of revenge which they have been preparing since 1918. It had to be invented to turn the people's eyes away from the eastern portions of the Reich which is a space without people because for centuries the Junkers of the East Elbe region have dispossessed their peasants.

During the Thirty Years War they increased their landholdings enormously by confiscating peasants' land which was abandoned and laid waste. They agreed to allow the rulers of Prussia to build a standing army there in exchange for the right to turn the remaining peasants into serfs. From 1813-1815 these peasants fought and were victorious against Napoleon, inflamed as they were by the promises made them that they would be freed from hereditary serfdom. Instead of that, they were again "freed" of a part of their land. For they had to purchase their freedom from the Junker landlords. In this way alone the Prussian feudal nobility acquired 120 years ago 1,500,000 acres of land and 18,000,000 thalers in addition to enormous yearly rents in money and farm products running into the millions. Tens of thousands of peasants ruined by the ancestors of the present-day Junkers sought refuge and escape in the United States of America.

And today the Junkers sit on their huge estates whose inefficiency and neglect have become proverbial and are a constant reminder to the hardworking small peasants and farm laborers that the land should be divided up. The apologists of the thesis of "insufficient living space" cannot refute the fact that East Prussia, Mecklenburg, Pomerania and Brandenburg offer living space and land enough for many more hundreds of thousands of peasants. Instead of that, the number of new settlements established by the government for small peasants which reached an average of 9000 yearly in the final years of the German Weimar Republic, under Hitler in 1939 fell literally to 798. Hence all the more land for the Junkers to appropriate.

The German aristocracy which traditionally had its eldest son inherit the family estate, the second son go to military academy and the most stupid son enter the diplomatic service, has hitched its chariot to the star of Nazism. The German aristocracy will fall with Nazism and thus pave the way for a thoroughgoing agrarian reform.



## SERFS OF THE 20th CENTURY

THE "A" in the initials of the Nazi Party—NSDAP—means workers (Arbeiter). Yes, the party of Hitler calls itself a workers' party. That has not prevented it from raging against the workers, both before and after its seizure of power. One must know the 100-year-old struggle of the German workers, a struggle which flared up against Bismarck, which won social reforms from Kaiser Wilhelm II and finally in 1919 gained in struggle a still further improvement of its legal status, to measure the ground it has yielded under the Hitler régime. On May 2, 1933, the German trade unions, the first and greatest of their kind, were seized by Nazi storm-troopers. The trade-union organizations were smashed and their funds, hundreds of millions of marks amassed from the dues of their members, were confiscated by the organizational leader of the Nazi Party, Dr. Robert Ley. He took this sum and used it to finance the newly founded "German Labor Front," whose task has been not to represent the rights of the workers, but to destroy those rights and carry out the wishes of the employers.

On January 20, 1934, the Hitler Government issued its "Law for the Regulation of National Labor," doing away with the institution of work councils, a fruit of the revolutionary struggles of 1918-19, which to a certain extent protected the workers in the factories and represented their interests. The new Hitler-law gave the employers dictatorial powers: "The leader of the factory decides for his followers on all factory matters." Questions of the work-week, wages, fines, firings, etc.—all these were henceforth decided by the employer. In practice the law of 1934 gave the employers unlimited power in their factories. The workers exchanged substance for shadow when their former works councils were replaced by so-called confidence-councils (Vertrauens-rate). The confidence they have to enjoy is, first of all, that of the employer. He draws up on his own the list of candidates for the confidence-councils and presents it to the workers merely for their confirmation. Moreover, he is himself chairman of the council without any confirmation from the workers. Since the latter often refused to vote for the favorites of the Nazi-employers and often tried to elect their own candidates to these councils or used the Nazi councils for their own purposes, the Government has since 1935 simply abolished the elections which were supposed to be held every spring.

The worker enjoyed at least one privilege in the entire world of free enterprise, until Hitler came: he could freely sell his labor-power, offer it where he thought it most advantageous. The Hitler dictatorship has even taken this right from him. It began in May, 1934, with a decree forbidding farm

laborers to go to the city, whither they had been driven from time immemorial in order to escape the half-feudal exploitation of the Junkers. By a series of decrees appearing between 1934 and 1939 first the skilled, then the unskilled metal-workers, later the carpenters and masons, and finally all workers in the building trades, mining and chemical industries were forbidden to look for work outside the district in which they lived. In 1939 the same law was even applied to all non-earning members of a family, irrespective of whether they were children or old people; and possession of a work-book was made obligatory.

These regulations were a real godsend for the big employers who, since then, have not had to worry any longer about the demands of their workers since they knew that the latter are firmly fastened to their job or ordered to do forced labor by the Government. As a result the legal status of German labor has reverted to that of the serf in the Middle Ages. The serf, too, had no rights; he too had to submit tamely to punishment and was forced to remain with his master. He could escape this oppression if he succeeded in fleeing to protective walls of a city. For the serfs of the Third Reich there are no possibilities of flight, no protective walls. The arm of the Gestapo reaches out in every direction. Whoever follows closely accounts of court-proceedings in the Nazi newspapers will read of thousands of prison-sentences and deportations to labor-camps. The offenders are always workers whose crime consists of the fact that they have not worked the extremely long hours prescribed by law or have looked for another job so as to improve their standard of living.

### **One-quarter of the German Workers Below Minimum Standards of Living**

To give the workers at least the appearance of the right to present grievances, the Government has introduced so-called Labor Trustees who are supposed to assure labor-peace in all great industrial regions. In one case out of a hundred they decide in favor of the workers. A glance at these individuals' past explains their behavior. Dr. Voeltzer, Labor Trustee for Nordmark (Hamburg), was formerly representative of the Employers' Association in Cuxhaven. Karl Hahn, Labor Trustee in Essen for the Ruhr district, was formerly manager for the German lumber-magnates and for six years representative of the Employers' Associations of Saxony. The Labor Trustee for Lower Saxony (Hannover) named Klein was secretary of the I. G. Farben trust. In Pomerania the choice of a Labor Trustee was most agreeable to the Junkers. It was Admiral Classen (retired) who proved his fitness for such a post by his repressive military measures against the workers of Central Germany from 1918 to 1921.

This list could be lengthened at will. It shows that these Labor Trustees are in fact nothing but convenient tools of monopoly-capital. With their help the wage-agreements won after decades of bitter struggle have been torn up or replaced by factory-agreements or so-called efficiency wages. Hence the workers are no longer organized as before on a national basis according to their trade; they are split up on a factory basis and completely at the mercy of big business. Dr. Ley, the chronic drunkard who is the "Fuehrer" of the German Labor Front, was right when he shouted to the employers: "We've made you masters in your house again!" As a matter of fact, never since the earliest period of capitalism have the big employers held such absolute, undisputable sway.



One of the results has been that the class of wage-earners earning less than a minimum standard of living has assumed alarming proportions. In 1929, the last year before the world depression, 15.8% of the German workers received a weekly wage of 12 marks or under (\$1 equals 2.50 marks). In 1938 when a new cycle had reached its high point the number of wage-earners getting 12 marks or under was 22% of the total number of wage-earners.<sup>1</sup> Thanks to Hitler almost one quarter of the German working class has fallen below a minimum standard of existence. In reality the number is even higher since the increase in prices under Hitler raises the level of the necessary minimum standard of existence. And this happened before the second World War brought general impoverishment to the workers of Germany.

According to figures of the official Reich Statistical Bureau, in 1928 a worker's family of 3.9 members could spend 2,759 marks; in 1937 a family of 4.1 members could only spend 2,186 marks. On food the family in 1928 could spend 1,306 marks. The larger family of 1937 only 1,017 marks. Although in 1938 the sum-total of hours worked in Germany was 15% higher than in 1929, the total wage-bill was still below the figure of 1929.

Let us take as an example a category of workers decisive in German war production, the miners of the Ruhr, who produce three-quarters of Germany's coal. Their average earnings per shift fell from 8.90 marks in 1920 to 7.23 marks in 1937. Yet during the same period their average yearly production per man rose from 349 to 417 tons and in 1938 again rose 6%.<sup>2</sup>

The unfavorable position of German wage-earners is confirmed by official figures: their share in national income fell from 68.8% in 1929 to 63.7% in 1938.<sup>3</sup>

### First Result of the War: Wages Down, Profits Up!

The war itself brought an immediate and sharp lowering of all wages in the autumn of 1939. It happened in the following manner, without the workers being consulted.—But we prefer to let Dr. Ley tell the story himself:

"It was self-evident that the 8-hour day would be abolished. Moreover, war economy dictated that wages had to be adjusted to the necessities of war. So vacations were set aside; payments for overtime, holiday and night-work were stopped. We had already introduced the obligation to work and had curtailed freedom of movement. All these measures were heavy sacrifices."<sup>4</sup>

As the 10 and 12-hour day has been introduced in the course of the war, overtime hours have been included in the regular day's work. But above all the big industrialists have gained enormous profits by the employment of badly paid women workers and 6,000,000 foreign workers and prisoners of war. Since a complete picture is not available, we will give several characteristic examples of this tendency:

Daimler-Benz, the big auto and tank-works in Stuttgart, showed a surplus in the years 1937-1940, which rose from 149,000,000 to 163,000,000 to

<sup>1</sup> Volume 1 of the quarterly volume of "Institut fuer Konjunkturforschung," dated 1939-40.

<sup>2</sup> 1938 Yearbook for the Ruhr Coal Industry published by the Employers' Association for the mining interests.

<sup>3</sup> *Wirtschaft und Statistik*, Volume 19, 1939.

<sup>4</sup> Speech "To all working people in Germany," delivered in November, 1939.

180,000,000 to 181,000,000 marks. In the same period wages went from 100,000,000 to 110,000,000 to 118,000,000 and in 1940 dropped to 113,000,000 marks.

The Ford-works in Cologne, controlled financially by the I. G. Farben Trust and Edsel Ford, published a balance-sheet for the war-year 1940, showing that net profits had increased 41% while wages and salaries had dropped 7%.<sup>1</sup>

The net profits of the firm of Hermann Roechling, which we shall also encounter when we discuss the occupation of France, were doubled in the first year of war and reached 3,070,000 marks, while wages and salaries fell from 26,000,000 to 17,500,000 marks.<sup>2</sup>

The Steel Trust reported an increase in surplus of 17% while the wage-bill rose only 1.75% and written-off capital rose from 139,000,000 to 161,000,000 marks. In the Electrical Trust (A.E.G.) the surplus rose by 9%, total balance-sheet by 13%, wage-bill only 4.7%.<sup>3</sup>

The most striking picture is that afforded by the large building-trade firms, most of the employees of which are badly paid foreign workers or worker-soldiers, war-prisoners and men doing labor-service who are not paid at all. Thus between 1938 and 1940 the wage-bill of one the largest construction and excavation companies in Germany, Julius Berger Co., dropped from 19,700,000 to 17,500,000 and then 11,900,000 marks. The decrease of wages by no less than a third in the past year alone is all the more startling when one reads in the "Frankfurter Zeitung" of July, 1941: "The actual yield of the shares is on the same level as the previous year."

Indeed the firm of Julius Berger received a lion's share of the contracts for the building of fortifications both on the West Wall and in the East. In Bulgaria, Turkey and Iran the company built extensive railroad installations. (Hidden behind the firm's obscure name are such world-famous enterprises as the Deutsche Bank, the A.E.G. Electricity Trust, the potash trust of Rechberg and others.)

Let us consider one final example: the I. G. Farben dye trust. In the years 1937-1940 the amount paid out for wages rose from 295,000,000 to 382,000,000 marks (but no mention is made of the increase in the number of workers employed). This is a rise of about 30%. Meanwhile, gross profits increased from 535,000,000 to 846,000,000 marks, that is, about 60%. In reality, according to the "Frankfurter Zeitung" (Aug. 1, 1941) which has close connections with this trust, the gross surplus was considerably higher since directors' fees, paid-up interest on loans and 12,000,000 marks assigned to reserve funds were subtracted in advance. Fortunately we are able to determine how the Nazi regime treated the hundreds of thousands of workers and employees of this greatest German trust—at least for the first years of Hitler's rule. The official organ "Die Chemische Industrie" (The Chemical Industry) which is published in the Third Reich admits that the average gross earnings of an I. G. Farben worker fell from 2,543 marks in 1930 to 2,193 marks in 1936, while the corresponding earnings of the average employee went from

<sup>1</sup> Neue Zuercher Zeitung, June 3, 1941.

<sup>2</sup> Frankfurter Zeitung, Nov. 3, 1941.

<sup>3</sup> Rheinisch-Westfaelische Zeitung, March 2 and March 6, 1941.

2,944 to 2,535 marks. The I. G. Farben trust cannot even plead bad business as an excuse because, in contrast to other companies, it survived the world economic crisis in splendid fashion.

Now it is clear to everyone where the Chemical Trust gets most of the money with which it pays its Fifth Columnists throughout the world, and especially in Latin America. The connection between Nazi wage-cuts and the financial sources of the Fifth Column is obvious.

Nazism has ground down German labor by smashing its trade unions and every other organization, party and institution of the German workers. That is how it has been able to beat down the workers' standard of living and create unusually high profits for the monopolies at the expense of wages. The Nazi "Workers' Party" has driven German workers into a state of degradation which has no parallel in history, except for the earliest period of capitalist development.



## TRIUMPH OF THE TRUSTS

### The New and Old Monopolists The Economic Role of the German Generals

Facts and figures destroy the legend of a general impoverishment of German capitalists by the Nazi regime. It is true that those firms which are not at the top of the heap have really suffered. In the midst of Hitler's armaments- and war-boom, more small and medium-sized manufacturers, bankers and businessmen have gone into bankruptcy than ever before, even during the worst economic crises in Germany. But it is also true that the big monopolies, working hand in hand with Hitler, have increased their power and wealth on a scale unparalleled in any other capitalist country.

Many serious books dealing with the economy of the Third Reich advance the theory that German employers have lost their independence and that State capitalism has replaced private capitalism. Examples like that of the Goering Combine which has steadily expanded have helped to give this theory wider currency.

### Nationalization Promised — Return to Private Ownership Carried Out

Defenders of this thesis base their conclusions, among other things, on Article 13 of the famous Nazi Party program: "We demand the nationalization of all trusts!" But once they held power the Nazi leaders did just the opposite. Even in cases where before Hitler's accession to power industries, large banks and powerful shipbuilding firms had been partially or entirely nationalized, the Nazi government restored them to private capital.

Significant in this respect is the fate of the Steel Trust. When in the course of the last world economic crisis the Steel Trust was in financial straits, its patriotic heads, Messrs. Fritz Thyssen and Friedrich Flick, threatened to sell it to the French *Comité des Forges*. Thereupon the Weimar Government intervened, one year before Hitler became Chancellor, and bought up a majority of the shares at three times the price then quoted on the Stock Exchange for Steel Trust shares. Hitler's re-armament program made the trust prosperous again; and in March, 1936, it received all of its shares back from the government.

There is an analogous development in the case of the large private banks. Dangerously weakened by the big bank crashes of 1931, they were saved by the State which took 35% of the capital of the "Deutsche Bank und Diskonto Gesellschaft," 70% from the "Commerz und Privatbank" and the "Allgemeine Deutsche Creditanstalt Leipzig" and over 90% from the "Dresdener Bank."

Had the Nazi Party program been anything but a snare and a delusion, Hitler would have had opportunity enough after taking power to "break the bonds of interest-slavery—the central point in the program." It would have

been a simple matter to do away with the large private banks. But those who took the party program as gospel truth were quickly silenced. "Break the bonds of interest-slavery? Why, that's all nonsense!" (*Brechung der Zinsknechtschaft? Das ist ja zum Brechen!*") Goebbels replied with a cynical laugh to Lieutenant Scheringer when that once trusting follower of the Nazi party asked him how he thought social problems should be solved. And long before he died in the autumn of 1941 Gottfried Feder, the author of the Nazi program who proposed nationalization of the banks and trusts, was dead in spirit.

Indeed, in 1936 the Big Three—the Deutsche Bank, Dresdener Bank and Commerz und Privatbank—triumphantly proclaimed that now they had received all their shares back from the government. The Allgemeine Deutsche Creditanstalt issued a similar statement. It is an open secret that the government knew it was aiding the big bankers at the expense of the State Treasury:

"One would get neither a just nor a pleasing picture if he were to compare the amount which the Reich has given the big banks with the amount it has received from them."

("Deutsche Volkswirtschaft" 1937, No. 29)

After heavy industry and the big banks came the shipyards and steamship lines. In 1936 a group of wealthy Bremen citizens acquired the State's share in the "Deutsche Schiffs- Maschinenbau-AG" which includes one of Hermann Goering's cousins on its advisory board. In the same year the Atlas Works, a North German shipyard in which the Reich held shares worth 5,000,000 marks, was restored to the sons of Hugo Stinnes. The Prussian State Treasury held shares in the "Vereinigten Oberschlesischen Huetttenwerken" (United Mining Works of Upper Silesia). These were paid off in 1937. And now the Silesian magnate, Count Ballestrem—whom we shall encounter later as one of the men benefitting most from the Nazi conquest of Poland—again holds absolute control over this giant network of industries.

Similarly, steamship lines have been restored to private ownership. In 1936 a group of bankers and big merchants acquired four-fifths of the capital of the "Hamburg-Suedamerikanische Dampfschiffahrts-Gesellschaft" from the government. During the first year of the present war the so-called Africa Line, the steamship company which prior to World War I monopolized the routes to German West and East Africa, was restored to private ownership. The German cigarette-king, Philip Reemtsma, who received the tobacco monopoly in Danzig after that city was seized by the Nazis in 1939, now holds the lion's share of the capital in the Africa Line. These shares have risen many points during the past few years, keeping pace with the rising hopes of Nazi colonial conquests nourished by German big business.

At the end of September, 1941, the two largest German steamship lines, the "Hamburg-American Line" and the "North German Lloyd," were restored to private ownership. These two companies co-operate closely and own over 1,300,000 tons of shipping.

When the monopolies were being strangled by the crisis the State Treasury came to their rescue and caused them to breathe freely. Now that an armament- and war-boom has again brought prosperity, the heads of the trusts reach out for their shares. In the case of Hapag-North German Lloyd, for example, their shares are quoted now at twice the price they were at the



outbreak of the war.<sup>1</sup> And Hitler's "socialistic" government gives them back their shares. . . .

### Monopolies and Government Firms

One of the special features of German capitalism is that since the beginning of this century private enterprise and government enterprise have been more closely connected than in other countries. In the Kaiser's time as well as during the Weimar Republic many private businessmen were at the head of nationalized businesses. This tendency has been noticeably strengthened in electric current have to pay a rate five times higher than the large completely nationalized in Germany: the railroads. The Administrative Board of the Reich Railway Company consists of 18 people. Among them we find Herr Krupp in person; the vice-president of his trust, Freiherr Tilo von Wilmowsky; Executive Director Steinbrink of the Flick firm; Herr Pietzsch of the Siemens Co. a representative of the Berlin Electricity Works; the Cologne banker von Schroeder who brought about a reconciliation between Hitler and von Papen; the merchant Muenchmeyer, noted for his "aryanizing" of Jewish businesses; Reinhart, president of the "Commerz und Privatbank"; the industrialist Koehler, "leader" of industry and trade in Upper Franconia; and finally retired Admiral Lans who represents various manufacturing interests. Thus a majority of members of the board is recruited from the ranks of private enterprise. These businessmen use their positions at the head of the Reich railways to obtain fat contracts and big reductions in freight-rates for their raw materials and finished products.

There is another big State combine, VIAG ("Vereinigte Industrie-Unternehmen AG") with 180,000,000 marks capital and important holdings in metal factories, mines and other branches of industry. In 1938 Krupp became a member of the Board of VIAG, thus joining Voegler of the Steel Trust and F. Urbig of the "Deutsche Bank" who were already directors.

Consider the third largest combine in Germany, the "Rheinisch-Westfaelischen Elektrizitaetswerke" (RWE), most of the capital of which is owned by the national, provincial and municipal governments. That does not prevent the outspoken private capitalist, Voegler of the Steel Trust, from being Chairman of the Board of RWE. There are other representatives of the Steel Trust on the Board, as well as directors of large Berlin Banks and a Herr Reismann-Grone. This latter gentleman was formerly one of the noisiest Pan-German spokesmen of the big industrialists before the first World War. Incidentally, Reismann-Grone's son-in-law is a certain Dr. Dietrich. After World War I Dietrich was employed by the Essen Chamber of Commerce. Then he became secretary of the Steel Association of the mining magnates. Today Otto Dietrich is Adolf Hitler's Press Minister! Since RWE supplies electric power for the mining industry in Western Germany and owns one-fifth of the brown coal in Germany, the Krupps and Voeglers are very much interested in being executives of this "State capitalist" combine. In fact, the small consumers of electric current have to pay a rate five times higher than of the large consumers. The latter consume 79% of the total current, yet they furnish only 39% of the utility trust's revenue.

<sup>1</sup> New York Times, Sept. 21, 1941.

It is obvious what advantages the trusts obtain from this linking of private and public enterprise which is typical of Germany. Often the same families control State enterprises with one hand and private businesses with the other. Take the Tengelmänn family. Three of its members are on the Board of the Essen coal-mines, a key firm in the Flick Combine; they also draw dividends and fees as directors of the Nobel Dynamite Works and of member-firms of the Steel Trust. A fourth Tengelmänn of the same family is Chairman of the Board of "Hibernia-AG," comprising the Ruhr coal-mines which belong to the Prussian State. At the same time he has 20 other directorates, mainly in private concerns. On the other hand, one of the Tengelmänn from the Flick Combine sits on the Board of "Hibernia." Under Hitler one of the Tengelmänn became President of the Chamber of Industry and Trade for Essen, Muelheim and Oberhausen; the second an advisory labor trustee for Westphalia; and the third head of the manufacturers' association in the clothing industry. For the Tengelmänn also own the men's clothing firm of Leineweber.

On the Board of the Prussian Mining and Foundry Co. we find an above-mentioned Tengelmänn together with executive director Stahl who is at the head of the private potash combine Salzdethfurt.

Another example is the Springorum family which has key positions in the Hoesch Combine and the Steel Trust. Walter Springorum, director of Hoesch's, is likewise a Counsellor of the Hitler Government. Moreover a member of this Nazi family, H. W. Springorum, was secretary-treasurer of the American branch of the German Bemberg Combine, the American Bemberg Corporation of New York.

### **Businessmen in Marshal's Uniforms**

It is impossible to discuss the connections between State and business in the Third Reich without shedding light on the role of the German army generals. There is, for example, Field-Marshal Walter von Reichenau who "died" suddenly in 1941 after the Nazi defeat before Rostov. His income is derived from the dividends of his father, a director of the Rheinmetall-Werke. Before the first World War von Reichenau's uncle was Minister to Belgrade. He blackmailed the Serbian government in order to procure armaments orders for the firm of Rheinmetall. The Serbian War Minister uncovered this underhanded connivance by which one Reichenau made use of his official position to enrich his brother. But instead of Minister von Reichenau quitting his post under a cloud, Berlin brought pressure and caused the dismissal of the Serbian War Minister in 1911. And the von Reichenau of the Rheinmetall concern received the armaments orders he desired. During World War I Reichenau the diplomat, temporarily without a post, became President of the notorious "Union of Germans Abroad" which spread Pan-German propaganda. Reichenau concentrated especially on spreading propaganda in South America which he knew, having previously been German Minister to Brazil. After the war the president of Rheinmetall, von Borsig, was one of the first big capitalists to finance Hitler. That is why today von Borsig is one of the directors of the Goering Combine. Until his death in 1919 von Reichenau the elder was an executive of Rheinmetall. His son was the first general of the Reichswehr to go over to Hitler; and he won recruits to Nazism among his fellow-officers.



The case of von Reichenau is only one of many which illustrate the connections between high officers and arms manufacturers. Thus, one of the directors of Krupp's Germania shipyard in Kiel is Admiral Heusinger von Waldegg whose son is a high official in Dr. Goebbels' Propaganda Ministry.

Especially revealing is the fact that practically the entire Military-Economic Staff, a powerful group appointed by Hitler and Goering to carry out the Four-Year Plan, is directly or indirectly connected with private armament firms. No doubt most of the proofs of this tie-up will remain unpublished until after the overthrow of the Nazi regime. But the facts already available are quite interesting. General von Hanneken of the Military Economic Staff is personally a director in a number of firms seized as a result of Hitler's aggressions. General von Hanneken, now military commander in Denmark, seems to possess business acumen. He has had his brother-in-law, the industrialist Karl Lange, named general secretary of the German Machine Industry.

The head of the Military-Economic Staff, General Thomas, sits on the board of Rheinmetall side by side with Kloeckner, Bosch of I. G. Farben, Stauss of the Deutsche Bank and other influential bankers.

Another member of this Military-Economic Staff, General Warlimont, was commander of the Nazi forces that intervened in the Spanish War. His brother is a director in a number of firms but above all in the "Metallgesellschaft AG" a subsidiary of I.G. Farben. Later we shall discuss this company's extensive interests in Spain.

General Ritter von Leeb began his career by crushing the Bavarian Soviet Republic in 1918. Twenty years later he continued this career by conquering Warsaw with an army corps under his command. This von Leeb—whose brother, a Field Marshal, commands the Nazi forces before Leningrad where he has run into a stone wall—has been since 1941 head of Hitler's "Heeresamt." And as a director in the Goering Trust he draws large dividends.

The name of Stuelpnagel has become synonymous with cold-blooded gruesomeness since its bearer, General Otto von Stuelpnagel, Commander in Paris, has had hundreds of innocent Frenchmen shot as hostages. Otto's brother, Joachim von Stuelpnagel, is also a general. At the same time he is owner of the "Berliner Boersenzeitung" which was and is one of the wealthiest and most influential newspapers of the German reactionaries. Because of its excellent connections with the Foreign Ministry and the War Ministry, the "Boersenzeitung" enjoys the reputation of being a semi-official publication. Years ago Stuelpnagel employed as his financial editor one Walter Funk, who utilized his position to make contacts with the Rhineland-Westphalian industrialists. With strong backing from military and manufacturing circles, Funk succeeded Dr. Schacht as Reich Minister of Economy.

Joachim von Stuelpnagel himself has large investments in the German Cellulose Trust. Under Hitler this combine has enormously expanded its production as a result of increased government subsidies for the production of ersatz materials. Today it has at least twelve factories in Germany. Stuelpnagel's hatred of Soviet Russia has a very practical basis. He controls the Kexholm Works of the Waldhof Combine on Lake Ladoga as well as the Procopé firm of Viborg. As a result of the Soviet-Finnish peace treaty in the spring of 1940 they both came under Soviet jurisdiction and were lost to the Waldhof Combine.

The material ties between the army generals and the trusts are far-reaching. The leaders of the Nazi war-machine are at the same time watchdogs and bloodhounds for the German trusts which rob and loot the factories and fields of the occupied countries. It is a most profitable arrangement. The interpenetration of State and private enterprise, the participation of high army officers and civilian officials in business is a boon to the trusts.

### The Newly Rich of the Third Reich

But what of the *Goering Combine*? Does it not prove the advance of State capitalism at the expense of private enterprise? In 1937 Goering established his firm with an initial capital of 5,000,000 marks. Its original purpose was to exploit the low-grade iron ores in the Salzgitter region in Central Germany. That had always been too expensive an undertaking for private capital. Goering's firm, based on government finances, quickly expanded. And the corpulent Prime Minister of Prussia, Dictator of the Four-Year Plan and head of the Luftwaffe exploited his powers recklessly to enrich himself.

The first period of the rise of the Goering Trust was marked by the absorption of large firms which were already State property; for example, the armament firm of "Rheinmetall" which had been taken over by the State after World War I to save it from going bankrupt. So here we have a case of one State combine taken over by another. With the exception of the still mysterious case of Fritz Thyssen, we know no single example of the Goering Trust expanding at the expense of the private monopolies in Germany. They have looted and pillaged together, but without any harm to the trusts.

*The rise of the Goering Combine to the largest trust in Europe with a capital of 800,000,000 marks and more than 600,000 workers and employees is nothing but a mirroring of Hitler's annexations. It grew great as a result of these aggressions. But at the same time the other leading trusts of Germany, the armaments firms, the chemical trust, the big banks also grew great. The Goering Combine is not a typical example of the triumph of State capitalism over private capitalism; it is the sign rather of the creation of a new class of millionaires, Nazi leaders now sit side by side with the old masters of the trusts.*

The Goering Combine was founded with government money. The fat Marshal is its chief profiteer and he has not hesitated to enrich his entire family. His cousin and nephew Albert and Herbert Goering and his brother-in-law Huber have been given posts as directors of the Austrian branch of the Dresdener Bank, the Czech Skoda Works, the largest Romanian trust "Reshitza," the large German bank "Allgemeine Deutsche Creditanstalt," various companies, shipbuilding firms and others. Napoleon bestowed kingdoms on his brothers and brothers-in-law. Goering hands out monetary wealth.

It is instructive to study the Boards of Directors of his Combine. There is not a single worker, past or present, among them. But there are plenty of Nazi party leaders together with generals like Ritter von Leeb and von Hanneken. The latter is related to the general of the same name who has been in command of the S. S. in Denmark since October, 1942. Finally, we find tried and trusted private capitalists at the head of Goering's trust, men like Councillor Wessig who is a director in the firm of Mannesmann, in the Nobel Dynamite



Trust, the Daimler-Benz automobile and tank firm and the Swiss armaments concern Solothurn.

As paid agents, the Nazi leaders destroyed German democracy, the labor movement and parliamentary system and prepared for World War II; and now they are waging it as partners and associates of the men of the trusts. Both old and new trusts are making money out of the war.

Goering is one example; Robert Ley offers another. Before 1933 this "leader" of the German Labor Front sought to curry favor with the Stein bank in Cologne (owned by Baron von Schroeder) and the millionaire Otto Wolf. Today he owns several handsome residences and a large estate. He controls the "German Labor Bank" which has had a phenomenal rise since the outbreak of war. It possesses branches in the capitals of almost all the conquered European countries and controls at least 65 capitalist enterprises.

Hitler himself is the largest shareholder in the leading publishing house of Germany, Eher Verlag, which publishes 16,000,000 of the 25,000,000 copies of newspapers appearing daily in Germany. Moreover, Hitler has an enormous income from the compulsory sale of his book "Mein Kampf."

The lesser leaders of the Nazi party have imitated the top group with alacrity. In 1933 the S. S. leader Dillgardt, formerly an employee of Thyssen, became an executive of the municipal light and power company of Essen. He negotiated a contract with the Rheinisch-Westfaelische Electricity Works which was so favorable to the firm—though not at all favorable to the city of Essen—that he became a member of the board of Rheinisch-Westfaelische. Later the mining magnates showed their gratitude by placing him on the board of the machine factory DEMAG. In 1938 he became Lord Mayor of Essen; and shortly thereafter executive head of the German Electrical Industry and of the Reich's power and light department.

During the present war Hitler's business commissioners have entered private business in droves. The Nazi appointees, Stock Exchange Commissioners Hemptenmacher, Frisch, Schniewind, Ernst and Spearl were quickly seduced by the Stock Exchange. Maintaining excellent government "connections," they hastened to become private capitalists instead of government commissioners. At the end of 1941, for instance, Dr. Friedrich Ernst became associated with the powerful Berlin banking house Delbrueck, Schickler and Co.<sup>1</sup> His last government post was as commissioner for confiscated enemy property where he helped swell the profits of the German trusts and big banks.

It is true that Hitler's economy is State-controlled and that foreign trade in Nazi Germany was and is directed by the State. But the events of this war have pitilessly exposed the pretensions of the Nazi leaders that they are anti-monopolists.

### A Model Marriage

No doubt the encroachments of the government in business and the rigidly centralized control of economy brought plenty of bureaucratic meddling, red tape and annoyance for many employers. But these developments were not anti-capitalist. In the twentieth century war cannot be waged without strict

<sup>1</sup> Frankfurter Zeitung, Nov. 1, and 3, 1941.

government control of business. The United Nations have also discovered this. But there is of course a fundamental difference. In the case of the United Nations government laws and actions have not exclusively favored the trusts; while the decrees of the Third Reich have effectively brought about the triumph of the trusts. State control of business in the Third Reich multiplied the profits of the trusts and laid the basis for their present-day expansion in Europe. In the midst of the second World War the organ of the Chemical Trust noted with extreme satisfaction:

"The territory in which the German businessman may operate is in the process of becoming as large as it ever was before. Even on government committees businessmen are steadily gaining a majority over government officials. A new division of labor will be established on the continent of Europe; the much-discussed New Order in business will be given shape and meaning. And who is eminently fitted to accomplish this? The businessman."<sup>1</sup>

"Schwarze Corps" ("The Black Corps"), organ of the Gestapo and S. S., has significantly revealed that the armament-manufacturers are supreme in Germany and "married" to the Hitler regime:

"A model marriage between the businessman's creative genius and planned State control may be seen in the armaments industry. It would have been quite a simple matter for an authoritarian State to nationalize the arms industries. Even France has already done so. But the National-Socialist State had no such purpose in mind. And so the planes of the Wehrmacht do not merely bear the names of private manufacturers like Messerschmitt, Junkers, Dornier, Heinkel, Henschel and others. The big guns do not merely bear the names of Krupp and Borsig. They also bear the stamp of the initiative and creative genius of free enterprise. It is hard to believe that the businessmen regard their 'marriage' with the State as a coercive burden. In an evolution aimed at making him a pillar of the State, the businessman will not fail to keep this ideal before him."<sup>2</sup>

These are not hollow words. What Himmler's paper has printed has been confirmed time and again in recent months. In 1941 and 1942 there were dramatic struggles behind the scenes for the control of German economy. The result was a decisive victory for German financial capital over those elements who sought to restrict however slightly the power of the trusts.

In August, 1939, on the threshold of war, coal production was not enough to satisfy the great demands of Hitler's war industries. So an official of the German Labor Front, Paul Walter, was sent to the Ruhr region with the task of increasing the miners' production. He attempted this by offering a 25% wage-increase for the 3-4 hours added to the regulation work-day and by a higher increase for higher output. He soon ran afoul of the mining magnates. They waged a constant struggle against him until a year and a half later this Reich Coal Commissioner was removed. Instead, a Reich Coal Union was formed in 1941. Its membership consisted of Ruhr monopolists; and at its head was the executive director of the Goering Combine, Pleiger. The newspapers controlled by the manufacturers of Western Germany hailed Walter's dismissal and the establishment of the Coal Union as a sign of increased freedom for businessmen.

This example set a precedent. In the summer of 1942 there were three other such Unions, similar to the Coal Union: in textiles, bast fibres, and chemical fibres. In the last two years the I. G. Farben and the Artificial Silk

<sup>1</sup> Frankfurter Zeitung, June 1, 1941.

<sup>2</sup> Das Schwarze Korps, March 6, 1941.



Trust dictate policy. The President of the new Chemical Fibres Union is Dr. Vits, executive head of the United Glazing Corporation which controls the International Artificial Silk Trust. He has explained: "Industry hails these national Unions particularly in view of the fact that some of the functions at present performed by government officials will in the future be taken over by the Unions. Through these business Unions, industry will govern itself more thoroughly."<sup>1</sup> Indeed, these Unions obtained "extraordinary powers." The function of regulating the market and that of distributing raw materials, functions hitherto performed by cartels and government bureaus, have now been entrusted to these employers' "Unions."<sup>2</sup> There executives dictate prices, rates of profit, conditions of delivery and payment, and the regulation of the market both at home and abroad.

### The End of a Gauleiter

This triumph of the trusts caused new and tumultuous discussions. The result was the fall from grace of another Nazi member of the "old guard." At the start of the war Joseph Wagner, Gauleiter for South Westphalia and Silesia, was named Price Commissioner for the Reich. In August, 1940, he assured the people that "excessive profits would not be made." He proposed that excessively high profits should be returned to the State. In this way, he argued, the war could be waged in the cheapest way possible.

The result was the following: in January, 1941, Wagner lost his post as Gauleiter of Silesia. In November, 1941, he was forced to relinquish his post as Gauleiter of Southern Westphalia. Early in 1942 he was relieved of his position as Price Commissioner and replaced by the banker Dr. Fischbock, an Austrian Quisling who, as economic adviser to the Nazi Commissioner for Holland, effected the transfer of the largest Dutch businesses to the German monopolists.

Fischbock's first official act was the following. Price of war goods of all kinds had previously been determined by the costs incurred by the average manufacturer. Fischbock changed all that. Instead, he made the costs of the most efficient and rationalized big businesses the basis for fixing prices. In this way small and medium-sized manufacturers have been forced out of competition and orders placed automatically and exclusively with big industrialists. At the same time Fischbock did away with the supervision of taxable war profits and abolished excess war profits taxes in all concerns manufacturing low-priced goods. That means: not only are war profits confined to large combines, but in the future these will not even have to pay any excess war profits taxes. "A pleasant surprise," was the verdict of the "Deutsche Allgemeine Zeitung" (March 15, 1942) on this measure by which Hitler's war has become even more profitable for the trusts than before.

In May and June, 1942, this process of increasing autonomy for the masters of the trusts was tremendously accelerated. The new Reichsminister for armament and ammunition Albert Speer (successor to Dr. Fritz Todt who was killed in an accident) organized an "armaments council" consisting of:

Hermann Buecher, Chairman of the Board of the Electrical Trust, A. E. G., and member of the board of Krupp's; Ernst Poensgen, Chairman

<sup>1</sup> Frankfurter Zeitung, March 14, 1942.

<sup>2</sup> Frankfurter Zeitung, April 5, 1942.

of the board of the Steel Trust; Philipp Kessler, Chairman of the board of the Bergmann Electrical Works, since 1942 a member-firm of the famous Siemens combine; Hermann Roechling, head of the mining trust of the same name; Paul Pleiger, executive director of the Goering combine; Helmuth Roehnert, Chairman of the Board of the Goering combine; Albert Voegler, Chairman of the Board of the Steel Trust; Wilhelm Zangen, Chairman of the Board of the Mannesmann combine; Field Marshal Milch, Secretary of State for Air, member of the Board of the Junkers Aviation Company and of the Lufthansa; Colonel-General Fromm; Admiral Witzell; General Thomas; and General von Leeb.

This armaments council, endowed with extraordinary powers, consists exclusively of monopolists and high officers. Shortly after it was constituted the German radio broadcast on June 1, 1942, the following official announcement:

"Berlin, June 1. The entire German iron and steel industry has been united into a single giant Combine. All concerns producing or working on iron ores will henceforth be members of a powerful Reich Steel Union. The task of this new Union is, as Reich Minister of Economy Funk explains, to use all available materials and blast furnaces in a more rationalized manner and to undertake a corresponding allocation of orders.

"This organization is intended to help the entire steel industry attain a larger measure of self-government, free from bureaucratic hindrances. Hermann Roechling, the well-known Saar industrialist, has been named chairman of the new organization. His right-hand man will be Alfred Krupp von Bohlen und Halbach, head of the Krupp Works in Essen. His second assistant will be Dr. Roland of the United Steel Works at Duesseldorf."

The trusts have triumphed all along the line! Krupp and the Steel Trust and Roechling, the man who looted French heavy industry, are in the driver's seat, free from governmental and bureaucratic fetters. The dictatorship of the Nazi State over the trusts is a legend. But those who have launched the slogans of "German Socialism" and "War of the have-not peoples against the plutocracies" are interested in spreading the legend. The drastic measures taken by the Third Reich have served to enrich the trusts and strengthen their hold on every phase of Germany's economy, especially on war production. In the process a small group of newly rich Nazis emerged. These people exploited their newly acquired positions to claim a share of the enormous profits together with the magnates of the trusts. The bond between the Goering section of the Nazi party and the leading trusts has been sealed with increased profits for both groups.

This alliance is a fact, even though the Nazi parvenus and the old trusts occasionally come into conflict. Friction between trusts is nothing unusual in the private enterprise system; it occurs also under the Hitler system. There were quarrels over the spoils when the Jews were expropriated and the conquered countries of Europe looted. Even vultures quarrel over the carrion which in the end they all devour together.

### Hitler — Leader or Led?

This also provides an answer to the question which has puzzled so many: is Hitler a "leader standing above classes" and is his rule a new edition of Bonapartism? The difference between Louis Bonaparte who became Emperor of France by a *coup d'état* on December 2, 1851, and Adolf Hitler lies, among



other things, in this: Napoleon III came to power in an agrarian country; while eighty years later Hitler has to rule in Germany, where the trusts are more highly developed than in any other land in Europe. Hitler needs the wealth and backing of the trusts—the rulers of Germany are faced with a modern and feared working class. Only over the ruins of the German labor movement was Hitler able to take power and then strike out for conquest of the world.

Even though Hitler is an instrument of a policy of imperialist aggression, he must not however be regarded simply as a puppet. The head of such a powerfully organized State assumes definite importance as an individual together with the other gangsters at the head of his party. Particularly is this true of an autocratically ruled "totalitarian" State. Undoubtedly, Hitler has achieved a considerable degree of personal power and influences fundamental political decisions.

*He is not merely led.*

*He does not merely lead.*

*He leads and is led.*

He follows an independent policy; but he is dependent on the class-and power-groups which installed him in power. Today just as before the Nazi rise to power this policy is directed against those classes in Germany which have a stake in destroying the outmoded, reactionary forces of the trusts and the Junkers.

## II POINTS OUTLINING THE POWER OF THE RULERS OF GERMANY

By a series of measures in the organizational and economic field the Hitler regime has tremendously increased the power and profits of German monopoly-capital. It is time to name the beneficiaries by name.

Of 106 joint-stock companies in the German mining industry with a combined capital of 3,530,000,000 marks, 18 companies, each disposing of over 50,000,000, reach the combined sum of 2,660,000,000 marks. In this group are the Goering Combine, the Steel Trust, Krupp, Kloeckner, "Gute Hoffnungshuette" (Haniel interest), Mannesmann, the Hoesch Work, the Harpener Mining Co. (Friedrich Flick), the Ballestrem Works, Stinnes, Wintershall and the I. G. Farben which also possesses extensive hard and soft-coal holdings.

1. These masters of the German mining industry are at the same time masters of all heavy industry in Germany. The great majority of German iron and steel production is directly in the hands of several of the above-named companies.

2. These mining concerns have personal ties with one another. Friedrich Flick is a director of the Steel Trust; while the president of the latter, Voegler, is a director in Flick's company. The brother of the president of the Hoesch Works, Dr. Springorum, occupied a leading position on the board of the Steel Trust. C. R. Poensgen, deputy-chairman of the board of the Mannesmann company, is the brother of Ernst Poensgen and Helmuth Poensgen, the one chairman, the other member of the board of the Steel Trust. Werner Carp of the "Gute Hoffnungshuette" is a board member of the Steel Trust. And so on, all along the line.

3. The monopolists of German mining and heavy industry are closely connected with the Deutsche Bank and the Dresdener Bank. In the Steel Trust, in Flick's company, at Hoesch's, Mannesmann's, Kloeckner's, Stinnes', Wintershall and others the Deutsche Bank is represented on the board. The Dresdener Bank also has its people in the same trust and is, moreover, represented on the board of Krupp's. Conversely the above-named firms delegate their heads to the boards of the two largest German private banks.

4. The I. G. Farben Trust and the big mining firms are allied. Notwithstanding competition in certain fields the Dye Trust has intimate relations with the leading mining companies. We find the chairman of the supervisory board of the I. G. Farben on the board of Krupp's and the chairman of the managing board on the board of the Steel Trust. Hasslacher, general manager of I. G. Farben, is on the board of Flick's corporation. On the other hand heavy industry has its men in picked positions in the I. G. Farben Trust.

5. Mining corporations, big banks and the two German electrical trusts are reciprocally connected. On the board of German General Electric (A.E.G.)



are, among others: Flick; the "leader" of German industry, Wilhelm Zangen of the Mannesmann company; a representative of the Krupp board; Quandt the potash and munitions-king, and leaders of the large German banks. Thus the Chairman of the board of the A.E.G., Dr. Buecher, is on the board of Krupp's, while the president of the A.E.G., Kurt Schmitt, is on the board of Flick's firm. This is the same Schmitt who was formerly Nazi minister of economy and is today head of the insurance cartel on the European continent. There is also a representative of the A.E.G. at Mannesmann's and Siemens Brothers. There is an especially close connection between the Siemens firm and the Steel Trust; both have directors on the other firm's board, and in Oskar Sempell they even have one man representing both corporations on the board of directors. Connections between the outstanding German private banks and the two electrical trusts are very close. The latter, as is known, also have financial ties with the large American electrical corporations.

6. The German machine-industry is a preserve of the mining corporations. The machine-shop Augsburg-Nuernburg (MAN) belongs to the "Gute Hoffnungshuette." The Humboldt-Deutz Works in Cologne and the Schweinfurt ball-bearing factories are in Kloeckner's hands. The auto and tank factory Hanomag of the Steel Trust, the Rheinmetall-Borsig Works of the Goering combine, the Duesseldorf Schiess-Defries Works—all the largest plants of the German machine industry belong to the coal and steel-barons. The Demag, Germany's largest machinery firm, has expanded greatly under Hitler and in 1937-38 acquired the Berlin Flohr Works, a factory in Eisel and the North German machine-shop in Duisburg-Hamborn. Demag is a joint enterprise of the West German mining corporations led by Voegler's Steel Trust.

The fact that in 1939 Germany led the world in the export of machinery underlines the significance of the control of the above-named and many other German machine-shops by the mining corporations of Western Germany. In German shipbuilding too they play an important part. Here are three of the largest German private shipyards: the Germania yards in Kiel, often bombed by the R. A. F., belongs to Krupp; the Deutsche shipyards in Hamburg, likewise frequently bombed by the British, to the "Gute Hoffnungshuette"; the Schichau yards in Elbing (East Prussia) to Eugen Voegler, brother of the chairman of the board of the Steel Trust.

7. The mining corporations and the Dye Trust control the German production of explosives. The German Dynamit-Nobel Trust and its branches in central and southeastern Europe are controlled by the I. G. Farben Trust, while the Steel Trust has authoritative influence on the "Westfaelisch-Anhaltinische Sprengstoff" (WASAG) company. Nobel and Wasag are the largest plants producing explosives in Germany.

8. Mining corporations and big banks control the oil industry. The following people sit on the board of directors of the Deutsche Erdoel Co., the most important oil company in Germany which also controls the Deutsche Petroleum Co.: President Kimmich, board-member of the Deutsche Bank and also board-member of the Steel Trust, of the Kloeckner and Hoesch corporations; Alhardt von Burgsdorf of the board of Mannesmann's; Werner Poensgen, one brother of whom is director of the Steel Trust and another brother deputy-chairman of Mannesmann's; Hans Schippel of the Dresdener Bank;

August and Eugen von Waldthausen, brothers-in-law of Freiherr von Wilmowsky, vice-president of Krupp's. The Waldthausens, one of the richest families in Germany, have seats on the boards of Hoesch and Mannesmann, of mining and explosives companies, of the Steel Trust and of I. G. Farben. It was the firm of Erdoel which exploited the Galician and Romanian oil-fields in the first World War and is today participating in the exploitation of the Romanian oil-wells.

9. The Chemical Trust and Mining corporations control agriculture. Since 1934 the total German production of nitrogen has been centralized in the hands of the German Nitrogen syndicate. This product is of decisive importance in producing fertilizers and explosives for use in agriculture. The syndicate is controlled by: I. G. Farben 62.5%, Mining corporations 26% and the other companies, some of them under the influence of I. G. Farben, 11.5%. Since practically all agricultural machinery is produced in the plants belonging to the mining corporations, it can readily be seen how subservient German agriculture is to the mining corporations and those of the Chemical Trust.

10. Mining corporations and big banks control the German railways. On the 18-member administrative board of the German Railway Corporation, which includes almost every railroad line in Germany, sit Krupp the munitions-king and his brother-in-law Freiherr von Wilmowsky, managing director Steinbrink of the Flick mining corporation (who in the second World War has become dictator of Belgian industry), the big banker Baron von Schroeder who co-operates closely with West-German heavy industry, Reinhard, the chairman of the board of the Commerz- und Privatbank, Pietzsch of the Siemens concern and other representatives of big business. They decide on the enormous orders for the German railways and pass them on to their own plants.

11. The mining corporations and the new Nazi millionaires work hand in hand. The Goering combine, typical representative of the newly rich of the Third Reich, is joined with the mining corporations of West Germany in a joint-stock company for converting coal and co-operates with them in the so-called "Trusteeships" which distribute property robbed from invaded and conquered peoples. Since early 1941 the German coal-magnates have joined together in a German Coal Association headed by one of Goering's directors Pleiger. The establishment of this association was even characterized in the German press as a victory of monopoly capital over certain attempts at interference by leaders of the German Labor Front.

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This narrow circle of multi-millionaires sustained the Hitler movement and the Hitler government with its money. This tiny group of a few dozen monopolists in the mining industry, chemical trust, big banks, electrical, machine, shipbuilding and explosives industries helped the men of the swastika to gain power and allowed their leaders to have a share in their own businesses. The same small circle which supported the Pan-German movement leading up to the first World War, installed Hitler in power to multiply their profits and to gain in a second World War what was denied them in the first. We will soon see how this tiny group is laying hands on the natural resources, banks and industries of all Europe.



## BILLIONAIRES OF THE SECOND WORLD WAR

The Reichstag deputies in their SS-, SA-, and army uniforms raised their arms and shouted "Heil" for several minutes as Hitler told them, after the outbreak of war in September, 1939: "No one will make money out of this war." One lie more or less makes no difference to Hitler. The fact is, the profits of the upper ten thousand in Germany have reached astronomical proportions in this war. To detect these profits, however, one must know how to read between the lines of company reports. They usually indicate only normal profits; but it was officially stated that German industry wrote off "between a half and one billion Marks" above the normal amount for reserves, etc., during the period just before the outbreak of the war. This is a clear case of concealing profits.

The "Statistische Reichsamt" (Government Bureau of Statistics) declared the total corporations income during 1938, the last year of peace, to be 3,420,000,000 Marks as compared to 175,000,000 Marks during 1933. That is twenty times as much! At the end of this year of peace—if we overlook the annexation of Austria and the Sudetenland as acts of war—a highly interesting shift had taken place in the German national income. The officially acknowledged percentage of profits of the national income rose from 15.5% in 1929 to 18.6% at the end of 1938 and the undivided profits, kept in reserves, etc., rose from 1.2% to 4.3% during that time. During the same period, however, the percentage of wages and salaries of the national income had decreased from 68.8% to 63.7%.<sup>1</sup> And those responsible for this development still dare to speak about the fight against plutocracies.

### Gigantic War Profits

There are some people, who, for some reason or other, still talk about the pitiful situation of the German entrepreneurs. They are right only in so far the smaller capitalists are concerned. They are absolutely wrong, however, when they include the prominent big capitalists in their statements. These men really make enormous war profits. The "Berliner Boersenzeitung" (Berlin Stock Exchange Newspaper) of November 19, 1941, estimates the war profits above the normal profits at over a billion Marks for the year 1940. With disarming frankness the "Deutsche Allgemeine Zeitung" wrote in November, 1941:

"It is natural, isn't it, that we have specialized factories which, because of the armament program, can suddenly show a turnover ten times, even a hundred times larger than before? These are generally very strictly rationalized factories. Rationalization reached its peak only by increased turnover, and effected a lowering of production costs. Since prices remained stationary the factory-owners suddenly earned a great deal of money."

<sup>1</sup> "Wirtschaft und Statistik" Heft 19, 1939.

The Montan mining trusts aided by American loans, had previously modernized their production apparatus and rationalized their factories, thereby quadrupling their productive capacity, so that they are now able to reap tremendous war profits.

It is true that the Hitler government decreed in 1938 that dividends above six, and in certain cases, 8 per cent were not to be paid out and the excess profits given to the Reich, to be repaid three years later. When in the summer of 1941 the repayment was put off until after the war, it became known that in those three years not more than a hundred million Marks had been paid to the Reich. Thus the immense extra profits have generally been pocketed, but not one of the guilty millionaires has in any way been punished. There is no newspaper or Congress in Germany to bring these facts before the public.

In the second half of 1941 German economy presented a grotesque spectacle. Exactly twenty-four hours before Hitler's armies attacked the Soviet Union the Nazi newspapers published a decree that was intended to prove the Socialist character of the Third Reich and to incite German soldiers to fight the "bolshhevik-plutocratic world conspiracy." This decree called for a compulsory payment to the State of dividends that exceeded six percent. As if by magic the stock companies immediately began to increase their capital. They did not have to lay claim to their bank credits, but simply converted their hidden profits, their secret and open reserves, into additional capital. Thus the dividends decreased in percentage but remained the same in actual profit.

By May, 1942, 883 stock companies had already increased their capital from 4,900,000,000 to 7,800,000,000 Marks by making use of their concealed profits. Even the official newspaper of the Nazi party "Volkischer Beobachter" wrote with hypocritical amazement (December 30, 1941): "The now revealed hidden reserves were not thought to be so considerable."

As an example, take Baron von Thyssen-Bornemisza, Fritz Thyssen's older brother. He increased the capital of one of his companies, the Duesseldorfer Press und Walzwerk, to three times its former amount. Thus: When he pays 5% dividends now they correspond in cold cash to 15% before he increased his capital. So it is possible to evade payments of excess dividends to the State in a perfectly legal way. All through 1942 the increase of capital continued on a lively scale.<sup>1</sup>

A drastic example of war profits of the German plutocrats is presented by the "free for all" in the Berlin Stock Exchange. It was closed during the first world war; the Kaiser had some scruples about showing the starving and dying people the spectacle of speculation, connected with the business of the first World War. The Nazis, however, acted differently. Before it came to power, the Nazi party solemnly announced it would fight the Stock Exchange tooth and nail. But in the Second World War the Stock Exchange is flourishing and the speculators are in full bloom. From the outbreak of war until

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<sup>1</sup> It is an interesting fact that the German State, or rather Hermann Goering, gave a part of Fritz Thyssen's property confiscated after he was convicted of high treason, such as his share in the August Thyssen Bank in Berlin, to Baron Thyssen-Bornemisza. In 1941 the Reichs Kulturminister made the Baron's son an honorary member of the Technical School of Hannover. In the Third Reich it is not customary to honor and enrich the relatives of those who are guilty of high treason . . .



October, 1940, while average dividends remained the same, the index of shares increased by 35% and has increased still more since then.<sup>1</sup> Since values at the Berlin Stock Exchange represented a level of exchange of about ten billion Reichsmarks, 31½ billion Marks of speculative profits have been made during the first year of war alone.

But that was only a beginning. The successful German campaigns in the Balkans launched a new boom on the Stock Exchange. With the attack on the Soviet Union the quotations soared skyhigh. At any rate, by the end of August, 1941, the average quotations, as computed by the "Frankfurter Zeitung," reached 217 as compared to 128 on the eve of the Second World War. This means that the ten billion Marks traded at the Berlin Stock Exchange in August, 1939, had grown into seventeen billion Marks during the first two years of the war. Whatever one may think about this gigantic financial deal, it certainly has not the slightest connection with socialism.<sup>2</sup>

The profits mentioned above represent only a small part of the real war profits of German monopoly capital. A decisive part of its profits came as the result of Hitler's blitz victories for which German capital paved the way and financed the fifth column.

<sup>1</sup> "Mitteilungen der Deutschen Bank" December 31, 1940.

<sup>2</sup> The following table of the trading on the International Stock Exchanges is highly significant (End of 1927=100):

	August 26, 1939	May 11, 1940	August 29, 1942
Berlin	47.9	57.0	77.7
Milan	140.4	163.9	249.5
Paris	48.0	58.6	152.1
Brussels	29.8	25.6	72.2
Amsterdam	45.6	34.5	62.0
London	57.2	58.8	46.8
New York	75.4	79.7	54.1

Note that trading on the London and New York Stock Exchanges diminished during the war, while the Stock Exchanges of the "anti-plutocratic" nations and their occupied countries had some very good years. (Figures from the "National Zeitung" of Basle of September 4, 1942.)

## WHO PROFITS BY HITLER'S CONQUEST ?

### The Austrian Business

Austria was the beginning. Hitler had been in power only a year and a half when he perpetrated his first act of foreign aggression. The Austrian chancellor, Engelbert Dollfuss, had to pay for it with his life and there were bloody fights in Vienna and the provinces of Austria, until the Austrian Nazis, who had been incited to insurrection by Berlin, were crushed in July, 1934. After that Vienna was quiet again, but the fight still continued for the ore mountain of the German Steel Trust in Styria.

It became known that the Steel Trust had long before that time given the order to dismiss all non-Nazi workers; that the Steel Trust furnished the money which the Alpine Montan Mining Combine, the Austrian branch of the Steel Trust, put at the disposal of the local Nazis; that the officers of the Alpine Montan Mining Combine were disguised stormtroop leaders and that the Styrian ore mountain, at the orders of the Steel Trust in Duesseldorf, was transformed into a heavily armed fortress. To remove all doubts about the identity of the men behind the Austrian insurrections, it was the general director of the Alpine Montan Mining Combine, one Herr Arnold, who figured very prominently on the list of proposed leaders of the new Nazi government.

The coup d'etat failed in 1934 because Mussolini was ready and willing to go to war at the Brenner Pass. But Mussolini soon became Hitler's obedient accomplice when Italian fascism threw itself into the Abyssinian adventure a year later. Mussolini, who was now dependent upon the Nazis, yielded all his positions in Austria. The pact between Pierre Laval and Sir Samuel Hoare, which thwarted the efforts of those who were opposed to Italian aggression, sounded the death knell of Austria. It showed Hitler that an assault on small countries was no longer a dangerous risk but a profitable business. The Ides of March 1938 ushered in the invasion.

On the heels of the hundred thousand German soldiers and eighteen thousand Gestapo policemen who destroyed Austria's independence, followed the magnates of German finance. The "Deutsche Bank" immediately seized Austria's largest bank, the "Kreditanstalt-Wiener Bankverein," into whose Board of Directors young Mr. Krupp, the son of Germany's munitions king, found his way. The "Dresdener Bank," second largest private bank of Germany, took over the entire Austrian business of the Czech banks and annexed them to the "Wiener Mercurbank," which it controlled. At the head of the "Wiener Mercurbank" appeared Herr Arnold, the general director of the Alpine Montan Mining Combine and leader of the 1934 riots.

This company passed from the hands of the Steel Trust into the Goering Combine and the struggle between these two monopolists led later to the dramatic renunciation of Hitler and the Third Reich by Fritz Thyssen, owner of the largest amount of Steel Trust shares. All in all, the Steel Trust turned



the conquest of Austria to good account; by way of branch concerns it acquired several metal works. At the same time the Austrian Montan Mining Combine of the brothers Boehler, in reality a branch company of the Steel Trust, was also greatly expanded.

Herr Oskar Henschell, son-in-law of the well-known electricity magnate Siemens and owner of large locomotive and airplane works in Kassel, suddenly (with the money of the Steel Trust which has a substantial interest in his factories) received several locomotive factories in Vienna and the biggest real estate in Austria (31000 hectares — 76,600 acres).

Krupp's share of the spoils were the munitions factories in Bernsdorf.

"I. G. Farben," Germany's chemical trust, built coal conversion works.

Field Marshal Goering provided his family with some rich sinecures in Austria. But it was still possible for his cordial enemy and unhappy competitor, Joseph Goebbels, to place his brother Hans at the head of Austria's largest Insurance Company and of several Fire Insurance concerns.

### **Unilever Delivers Czechoslovakia**

Austria's pickings were hardly digested when the promise made by Goering at the annexation of Austria, namely to respect the frontiers of Czechoslovakia, was thrown in the wastepaper basket which already held many other Nazi paper promises. With the help of Chamberlain and Daladier, the Czechoslovak republic was handed over to Hitler, bound hand and foot. The loss of Sudetenland, transferred to the Third Reich under the pretext of needing protection, but now suffering more than ever, deprived Czechoslovakia of its military bases and coal supply. 165 days after the notorious Munich pact, on March 15, 1939, Hitler decided to occupy the entire territory of Czechoslovakia. This decision had been foreseen by the betraying statesmen of Western Europe whose only aim had been to send the Nazis marching East.

The principal support of Konrad Henlein, Czechoslovakia's Quisling, came from the Brothers Schicht who subsidized their protege with eight million kronen (\$250,000). The name Schicht is known to very few people outside of Europe. But the Schichts are members of the board of the Unilever Combine which controls 75% of Europe's margarine production and 80% of the world's soap production. "Lever Brothers" is the United States branch of this world combine whose headquarters are in London. One of the tenants of the Unilever Building in London was the Anglo-German Fellowship, an organization which united the big English bankers, industrialists and oil magnates in support of Chamberlain's pro-Hitler policy. A Mr. d'Arcy Cooper was at the same time a member of the Board of Unilever and one of the leaders of the Anglo-German Fellowship.

When, 8 months later, the Basle Bank for International Settlements gave up to Hitler, with Chamberlain's approval, the gold reserves which had been deposited there by the Czechoslovak National Bank, Lord Strabolgi, leader of the Labour Party in the House of Lords, made the following disclosure:

"The president of the Bank for International Settlements is a distinguished Dutchman, Dr. Beyen, of well-known Nazi sympathies. He is about to relinquish his post to join the great Unilever Combine, which has large frozen Reichsmark credits in Germany. The continental manager of Unilever in London is a certain Herr Franz Schicht, who plays a prominent part in organizing the German Nazis in London." (Speech in the House of Lords, July 11, 1939).

Strabolgi was right: Dr. Beyen became indeed one of the highly paid directors of Unilever. Thus the circle is complete: from the English-international financial magnates to the Czechoslovakian fifth columnists, to the Schicht brothers and finally to Hitler himself.

It is evident that a number of Czech princes, counts and barons, gentry such as von Hohenlohe-Langenburg, von Clam-Gallas, von Clary Aldringen, etc., prepared Hitler's arrival. Lord Runciman, Chamberlain's representative, was taken from one castle to the other and "converted" to their views. No wonder that they hated the Republic whose citizens they were. After all, the progressive agrarian reform of Czechoslovakia, that democratic island surrounded by half or wholly fascist states of South-Eastern Europe, had taken more than half of the tremendous estates from these feudal lords and made a quarter of a million tenant farmers into the owners of their land. Enough land was still left to change thousands of paupers into farmers and give additional land grants to 300,000 small and middle farmers.

Hitler and the "protectors" Baron von Neurath and the Gestapo chief Heydrich cleaned this up thoroughly. Already on January 18, 1939, the Nazi press quoted an official announcement mentioning that work had begun "to repair the damage caused by the Czechoslovak agrarian reform. When the question of ownership has been definitely established, all the land expropriated by the notorious Czech reform will be returned to their former German owners."

There were 322 such owners. Before the agrarian reform these men owned 35% of German-Bohemian land and 935,000 hectares (about 3600 square miles—the size of Delaware and Rhode Island combined) of purely Czech territory. Today they own all this again.

Like a pack of hungry wolves, German monopoly capital threw itself upon the destroyed republic. Immediately after the occupation of Sudetenland the I. G. Farben annexed the "union for chemical and metal production in Aussig," one of the largest industrial enterprises in Europe. Since Neville Chamberlain and Sir John Simon, the promoters of the Munich policy in the British government at the time, were both stockholders in the English Chemical Trust which was connected with I. G. Farben through financial and patent interests as well as cooperative undertakings in Europe, the Munich solution to the European problem also presented personal advantages to them which should not be underestimated.

The "Deutsche Bank," the "Dresdener Bank," and the "Allgemeine Deutsche Creditanstalt" appropriated all the 143 Sudetenland branches of the Czechoslovakian Bank. That was only the prelude to what happened after the occupation of Prague. While the National Bank was simply taken over by the German state, the large German private banks forced their way into the large private banks of Czechoslovakia and took command. Thus the "Deutsche Bank" gained control over the "Bohemian Union Bank" while the "Dresdener Bank" obtained a controlling interest in the "Bohemian Ex-compte Bank."

The Goering Combine acquired the most important munition works, Skoda and Brunn Iron Works, for a ridiculously small sum. The second largest iron producing company of Czechoslovakia fell into the hands of the Mannesmann Combine whose general director, Wilhelm Zangen, is already known



to us as the "Fuehrer" of German industry. The third largest iron works, the "Berg und Huettenwerke Gesellschaft," owned largely by the French munitions king Schneider-Creuzot, was transferred to the "Bohemian Union Bank," or, for that matter, the "Deutsche Bank," after France's downfall. These, as well as the "Czech Finance Institute," owned by the "Dresdener Bank," have large holdings in many other firms. A trust in Western Germany (its name has not been mentioned by the Nazi press) received the copper works of Bohemia, the largest in the country.

The "West Bohemian Bergbau Aktienverein," which controls an important part of the large Czech coal resources, received a new master in the person of Major Pabst. This, of course, is the same Pabst who in the Spring of 1919 commanded the cavalry division of the Guards in their attack on the German workers and who personally ordered the murder of Rosa Luxemburg and Karl Liebknecht, leaders of the left-wing of the Berlin workers' movement. Later he organized the Kapp Putsch and still later the semi-military divisions of the Austrian counter-revolution. And now he is one of the profiteers of Nazi aggression. The name Pabst symbolizes the straight path which leads from the oppression of the German workers to the oppression of European nations by German imperialism.

### **Birth of a Hitlerite State**

In accordance with their "divide and conquer" policy the Hitler regime had kindled a separatist movement in the Slovakian part of Czechoslovakia. Slovakia, "liberated" by Hitler and a formally independent nation, offers a shocking illustration of the kind of colonization which Hitler's New Order brings to the people it conquers. The banks, mines, and other industries came under German control, agricultural produce was sent to Germany and the entire country was enslaved by German economy. The "Dresdener Bank," (via the "Laenderbank" of Vienna) and the "Deutsche Bank," (via the "Wiener Creditanstalt" and the "Bohemische Union Bank") took over the two chief private banks of Slovakia. The German Oil Company "rented" the oil fields of Slovakia. The mining of iron ore is partly subordinated to the "Deutsche Bank," (via the "Prager Berg und Huettenwerke Gesellschaft") and partly to the "Wittkowitz Works," which are in Goering's hands.

But iron production was monopolized by the Slovakian state, which also continued to be the largest producer of semi-finished iron. This blissful state of affairs did not last long. At the end of October, 1941, the Nazi press announced that the whole industry was transferred to the Goering Combine which had already played an important part in Slovakian iron and metal production. The coal mines of Slovakia landed in the lap of the "Prague Chemical Union," which is also directed by Germans now. Finally, in the Fall of 1941, a branch company of the A.E.G., the big German electricity trust, settled in Slovakia.

The de-industrialization policy in countries conquered by German imperialism was carried out also in Slovakia. The Chamber of Commerce of Bratislava, capital of Slovakia, stated at the end of 1941 that only 11% of the exported commodities are industrial products, all the rest being raw materials. Germany claimed the entire corn and grain harvest of 1941. It established dairy farms throughout the country. German or Slovakian agents of the Third Reich manage these farms and all the produce goes to Germany. Already in

May, 1941, Germany owed Slovakia nearly a billion Kronen for looting the country.<sup>1</sup> Instead of paying cash the Germans forced railroad equipment and agricultural machinery upon Slovakia. Even the Slovakian cement factories were forced to join the German Cement Combine.

Not only the industrial and agricultural raw materials, but also men are taken from Slovakia. Apart from the Slovakian soldiers which the German High Command ordered into the field against the Soviet Union, the Slovakian "government" of Monsignor Joseph Tiso was compelled and did not offer too much resistance to send 80,000 workers yearly to Germany. The Slovakian workers are sent to those industrial areas of Germany that are most frequently bombed by the R.A.F.; they are not permitted to change their jobs and are always cheated when their wages are exchanged into Slovakian money.

The fate of this Hitler-sponsored Slovakian state is typical of the conditions even in those European countries that are not formally annexed to the Third Reich. Austria was the bridge to the Balkans and Czechoslovakia the key to Europe. It was Bismarck who said, "Whoever is master of Bohemia is master of Europe." By occupying the heavily fortified line in the Sudeten mountains and by destroying, without a battle, thirty excellent Czechoslovakian divisions, Hitler obtained his first great victory over France without a fight. By annexing Austria and Czechoslovakia he reached the frontiers of Jugoslavia and Roumania, surrounded Hungary from the north and east and Poland on three sides.

### Goering and Silesia's Princes Annex Poland

Poland had its fifth column just like all other countries which Hitler has attacked—with the exception of the Soviet Union. As a matter of fact the fifth column was especially powerful in Poland. Its representative was Colonel Beck, for many years and until the downfall, the Polish Minister of Foreign Affairs. He always advocated collaboration with the Third Reich. But behind him were more powerful men: the big landowners, the Princes Radziwill, Sapieha and Lubomirski, Count Potocki and many other aristocrats.

Radziwill, the real ruler of northeastern Poland with his estate of 1 million hectares (about 3862 square miles) lived in perpetual terror of his Soviet neighbors who had cleaned their own house of big landowners. As president of the Foreign Affairs Committee of the Polish parliament he did everything in his power to bring Poland into an anti-Soviet alliance.

His colleague in the Upper House of the Polish parliament was Prince Lubomirski, the man who was appointed regent of Poland by Kaiser Wilhelm II in 1918. He continually tried to push the Foreign Affairs Committee into closer collaboration with Germany while at the same time fostering hostility against the Soviet Union. His relative, Prince Stanislaw Lubomirski, as first counsel of the Polish Embassy in Berlin, tried to promote a German-Polish alliance against the Soviets.

And finally there were the Sapieha princes, one of whom had been Minister of Foreign Affairs for a short time and later financed the Mackiewicz group which wanted to push the Polish-Soviet frontier still further to

<sup>1</sup> "Frankfurter Zeitung," November 5, 1941.



the East and which even today, in exile, continues its machinations. His brother Adam, archbishop of Cracow, used the Catholic church for anti-Soviet propaganda.

These princes and barons, of whom even the poorest were landowners to the extent of several thousand square miles, drove the Polish government to complete refusal of the Soviet Union's proposals of mutual assistance during the Summer of 1939. Their conduct, not disavowed by Chamberlain and Daladier, led among other things to the discontinuance of negotiations between England and France on one side and the Soviet Union on the other side. These Polish aristocrats, to whom their wealth was everything and the welfare of their country nothing, built very strongly fortified barriers on the Eastern front against the hated "Reds" but left the Western frontier, where the fascist enemy of Poland was lurking, absolutely undefended. On the first of September, 1939, when Hitler attacked Poland, he drove into an unprotected country.

Not even the pretense of independence has been left to Poland. Like the Jews, the Poles are treated as subhumans or lepers and even the names of their towns were abolished and replaced with the names of German generals and Nazi leaders. Lodz, the largest textile center of the country, is now called Litzmanstadt, after one of the Kaiser's generals who joined the Nazis in the early days. His son holds the rank of general in the S. A.

And what has become of the industry of Lodz? Of the 3500 textile mills all the smaller ones, which were mostly in Jewish hands, were closed down. The 300 remaining mills, of which 40 were large concerns, nearly all became the property of German combines. Of the 150,000 textile workers of the town 70,000 lost their jobs. Most of them were deported to Germany for forced labor.

Poland and its people are now treated by Hitler exactly as the Negroes of East and West Africa were treated by the Kaiser and it is symptomatic that all German business concerns which formerly traded in Africa have since 1940 received a new field of action in Poland. Yes, the colonies have been moved to Poland:

"Today about fifty export and import houses are doing business with the General Government (that is the Nazi name for Poland). Formerly they specialized in commerce with Africa, the Far East, and the South Seas. These specialists in colonial goods have again become trading agencies in the original colonial sense. They not only supply but at the same time know how to secure the products of the country."<sup>1</sup>

And how well they know how to secure these products! The conqueror "secures" everything from the harvest to the entire production output and brings it to Germany through the wholesale houses whose former colonial business no longer exists.

Here, as everywhere else, the "Deutsche Bank" and the "Dresdener Bank" made cheap acquisitions. Without much ado they took over numerous branches and property of former Polish banks. The "Handelsbank" in Cracow went to the "Dresdener Bank" and the "Deutsche Bank" (via Wiener Creditanstalt) obtained the cellulose and paper factories "Klutsche." Goering, ever-present when there are profits to be made, organized the "Haupttreuhandstelle

<sup>1</sup> "Deutsche Allgemeine Zeitung" November 23, 1941.

Ost" which, according to its own statement, expropriated and distributed within one year 294 large, 9000 medium and 76000 small industrial plants and 9120 large and 112,000 small commercial houses for the sake of "strengthening Germanism."<sup>1</sup>

Goering's combine, of course, got an especially juicy piece: Goering took the Koenigshuette and Laurahuette coal mines and several factories, and is now the coal boss of Upper Silesia. The Silesian aristocrats, not to be outdone, entered into a race with Goering.

These aristocrats, men like the princes von Pless and Henckell von Donnersmarck, the counts Ballestrem, Schaffgotsch, Thiele-Winkler and others, are at the same time big landowners, grain merchants, distillers, mine owners and large scale industrialists. They are the real owners of Silesia and the Kaiser's Germany always preferred to choose its diplomats from among these families, half-aristocrat, half-industrialist.

Viscount d'Abernon, English Ambassador to Berlin, got a taste of the extravagant luxury in which these princes lived when he visited Prince Pless at his castle Fuerstenstein in 1924. D'Abernon reported that there were more than 300 paid servants in the castle alone "without counting many more in the garden. An English butler, numerous footmen in power, a chasseur in top boots and uniform who stands behind the prince's chair"—this feudal world of the 18th century with its Louis XV manners is just as real in Silesia as the acute misery of its rural and industrial proletariat, whose standard of living is particularly low.<sup>2</sup>

After Hitler's conquest of Poland the Silesian aristocrats received as a present the huge estate of Wirek Kopalnie. Prince Henckell von Donnersmarck received 20%, Count Ballestrem 30% and Count Schaffgotsch 50% of the estate. Count Schaffgotsch's property includes six mines, coke works, electric plants, carbide, potassium and mineral factories and a plant for synthetic gasoline production. That means that he owns the whole circuit of coal production and its utilization plus the large estate with its resources of 2,000,000,000 tons of coal (including reserves). Furthermore, the Schaffgotsch Combine, which employs more than 20,000 underpaid Polish workers in Upper Silesia, has a considerable interest in the cement and explosives industries in the rest of Germany. It is now the second largest limited liability company (Gesellschaft mit beschränkter Haftung) in Germany, a form of enterprise which is not obliged to make its books as public as the stock companies and has therefore been preferred by rich families during the last few years.

Hitler's attack on Poland helped the Counts von Schaffgotsch to be the masters of several Polish coal mines, and the co-exploiters of the loot, sitting on the Board of Directors of the Schaffgotsch Montan Company ("Godulla AG") bear the names of some of the richest aristocrats of Eastern Germany: Friedrich Count zu Stolberg-Stolberg, Hans Count von Franken-Sierstorf, Karl Egon Baron von Reitzenstein. The Schaffgotsch clan did not await the outbreak of the second World War to prove the supremacy of "aryan" gold.

<sup>1</sup> "Die Zeitung" London, April 17, 1941.

<sup>2</sup> Prince von Pless is again spreading out in Polish Upper Silesia where he founded the "Fuerstlich Pless'sche Bergwerke AG" with 40 million Marks capital. They are closely connected with the I. G. Farben trust with whom they jointly own the well producing "Fuerstengrube" in Kattowice and with whom they are operating an electricity concern.



When the brown coal property of the Jewish-Bohemian industrialist Petschek was taken from him without reimbursement, the Schaffgotsch concern grabbed its part in the coal fields of East, Central, and West Germany and incorporated them in the "Bubiag Company." On its Board of Directors we find one of Germany's largest landowners, Count von Armin-Muskau, Count Kerssenbrock-Schurgast and others.

After the conquest of Poland Count Ballestrem, who has considerable control over the iron industry of Upper Silesia, took possession of the "Friedens-Foundry," the "Mine and Foundry Works AG" and the "Ferrum AG" in Cattowitz. To round off his loot the "Hauptrehandstelle Ost" supplied the Count with two more new boiler and machinetool works in Sosnowice and Dombrowa. Still not satisfied, the Count also appropriated the "Upper Silesian Locomotive Works" in Krenau and a company in Laurahuette.

Ballestrem is on particularly intimate terms with munitions king Krupp whose director, Karl Wendt, is a member of the supervisory board of the Ballestrem Combine ("Vereinigte Oberschlesische Huetten AG"). In 1940 Krupp himself took possession of the coal and iron work of the "Bismarck-huette" in Polish Upper Silesia. In the late autumn of 1941 he organized the "Friedrich Krupp Silesian Industrial Building Corporation" for the purpose of establishing factories in the Eastern occupied regions. The locomotive combine "Henschell-Kassel," which had already profited extensively from the conquest of Austria, lost no time in confiscating the locomotive factory "Chrzanow" in Kattowice.

The zinc resources in the "District of Upper Silesia" which Hitler has carved out of former German, Polish and Czech provinces, are among the most important in Europe. The second World War has seen them handed over to Prince von Donnersmarck and the combine of Herr von Giesche.

And one final example: In Eastern Europe a gigantic new trust has arisen, the "Neue Berghuette" (mining and foundry works). It consists of the Prague Mining and Foundry Company, one of the most modern companies in Central Europe, which the Deutsche Bank acquired from the French Schneider-Creusot trust; of the Kattowice Foundries (employing 35,000 workers) seized from the Poles without payment of a single pfennig; the Banka Foundries in Dombrowa; the Mdrezejow Hantke Foundries in Sosnowice; iron mines in the Czestochower district; and a number of coal mines in Upper Silesia. Most of the capital of 125,000,000 marks of this trust is held by the Deutsche Bank and the Dresdener Bank.

And what famous name and pedigree act as a "front" for this shameful plundering? The Chairman of the Board of "Neue Berghuette" is a member of the same family which produced the greatest Prussian military strategist in the second half of the 19th century and the first German Chief of Staff in World War I: he is *Hans Adolf Count von Moltke*. As Hitler's Ambassador in Warsaw, he helped "soften up" Poland. Since January, 1943, he has been pursuing the same game as German ambassador in Madrid.

While Polish Jews have been massacred by the tens of thousands; while Polish men have been treated as work-slaves in Germany and their wives and children die of hunger, the German Junkers have looted Poland's economy. The 20th century has never yet seen such a transmutation of blood into gold. "Noblesse oblige" . . . to plunder and murder!

## Behind the Scenes of the Dutch Blitz

Eastern Europe, except for Russian territory, lay under the iron heel of the conqueror. Now the Nazis could strike against the West. The hour of Holland, Belgium and France had struck. In each of these countries Hitler had his political agents, parties and capitalist vanguard.

After World War I there was an incident, now forgotten, which created a stir for a short while. A secret treaty between France and Belgium aimed at Holland was suddenly revealed. The treaty was soon discovered to be a forgery and its author exposed to unpleasant publicity. His name was Mynheer van Beumingen. This incident occurred in the 'twenties and its aim was to drive Holland, "menaced by France and Belgium," into the arms of German imperialism. This same Beumingen meanwhile financed the Dutch fascists and attempted to stir up trouble between the Walloons and Flemings in Belgium. Beumingen's political activity is not surprising when one realizes that he is Chairman of the Board of the "Hollandsche Industrie en Handel Maatschaappij" ("Siderius AG") a branch of Krupp's in Holland. After the first World War this firm hid Krupp's stock of arms from the Interallied Control Commission and housed the designing and blueprint department of Krupp's Germania-Shipyards at a time when Germany was forbidden to build submarines and other warships.

But Holland's importance for German monopoly capital went far beyond that of a temporary arsenal. This little country, noted for its tulip fields and round, red cheese, is at the same time the gate of Western German industry to the world. The Rhine, which has its source in Switzerland, is navigable by the time it reaches Germany and then flows across Dutch territory to the sea. It is the busiest artery of traffic in Germany, and largely for this reason the most important German industries are situated along its banks. The largest German industrial centers lie along the Rhine, its canals and tributaries. In South Germany there is Mannheim Ludwigshafen with the factories of the I. G. Farben trust; in North Germany there is Duisburg-Hamborn with mines and foundries of the Steel Trust. It is an ideal route for the transportation of their goods.

In 1937 the Rhine carried 90,000,000 tons of goods, 59,000,000 of which were destined for foreign trade. This is more than was handled by all the German seaports for export and transit trade. Of these 59,000,000 tons 76% went by way of Holland; and Rotterdam at the mouth of the Rhine with its surrounding ports handled about 90% of the traffic. Up the Rhine with ore and grain, down the Rhine with coal, iron and steel products—an endless stream of some 12,500 barges plied their way to and from the mouth of the Rhine, which became the largest and most important seat of Germany's export trade.

No wonder Holland has always been one of the most coveted prizes for the coal-magnates and manufacturers of Western Germany! Long before Hitler's bombers wreaked their frightful havoc in May, 1940, over Rotterdam, this economic center of Holland swarmed with Fifth Columnists. Some of the shipping firms were directly owned by Germans. Others were nominally Dutch but actually controlled by the Western German industrialists and managed by Germans. Many of their employees were in the pay of the Reichswehr Intelligence Service or the Gestapo.



The provincial prime minister of Baden, Koehler, was not far from the truth when in 1938 he made a speech at Duisburg on "harbor-day" in which he declared that Rotterdam and Antwerp (this Belgian port absorbed one-eighth of all Rhine traffic) were "bastions of Germany's economic life." It had always been the aim of the Ruhr magnates to turn them into military bastions as well. Even prior to World War I their "Alldeutscher Verband" sent out pamphlets which asserted bluntly: "The Rhine must be German right to the North Sea."<sup>1</sup>

One of the Third Reich's key-men in Holland was Rost van Tonningen, from 1931-1936 League of Nations Commissioner for Austria, then executive of the world-famous Amsterdam banking firm of Hope and Co. and press-chief of the Dutch Nazi movement. At the head of this movement was Anton Adriaan Mussert. He was financed by his aunt and she expected him to marry her out of gratitude. Mussert was 28 years old; his aunt, his mother's sister, was 18 years older. The Queen's permission was needed to legalize such a marriage. Queen Wilhemina gave her permission—and Mussert never forgave her for it.

When Hitler's Blitz struck Holland and Belgium, the Nazis of Amsterdam and Rotterdam—the followers of Mussert, Beumingen, Tonningen, and van Vlissingen—stabbed Holland in the back. After the Nazi triumph the leaders of the 5th Column and their German superiors became masters of Dutch economy. Van Tonningen became President of the Dutch National Bank and announced the abolition of all customs and other financial barriers between Germany and Holland. This permitted German capitalists to buy for £1,300,000 shares in the "Allgemeene Kunstzijde Unie," the very same international Artificial Silk Trust directed by van Vlissingen. The German Steel Trust took from the city of Amsterdam shares worth £2,000,000 in the "Koninklijke Nederlandsche Hoogovens," the leading Dutch heavy industry in Ymuiden. In 1941 its capital in shares was raised from 17,000,000 to 25,000,000 gulden.

The German trusts were enriched by the "aryanization" of 15,000-20,000 Jewish firms and the "transfer" of thousands of businesses hitherto in "hostile hands". The big bankers of Berlin swooped down upon Holland like vultures in the wake of the Nazi conquest. The Deutsche Bank seized the Amsterdam bank of Albert de Bary; the Dresdener bank took the "Commercial Trust" of West and Co.; Dr. Ley organized the "Bank voor de Nederlandsche Arbeit" (Dutch Labor Bank), and the Commerz Bank the "Rijnsche Handels-My." The Berliner Handelsgesellschaft now controls Koopman's Bank.

On March 2, 1941, a small item published in the press of Western Germany went almost unnoticed: the "Steenkohlen Handels Vereniging" and the "Neederhaven N. V." organized the "Neederlandsche Havenbedrijf" in Rotterdam with large capital investment. The following men were on the Board of directors: D. G. van Beumingen, Fentener van Vlissingen and I. W. van Beumingen. The betrayal of Holland earned rich rewards for the betrayers. But they will not enjoy them for long.

### **Belgium is "Enlarged"**

The Belgians also had their Nazi-inspired party, the Rexists, under the leadership of Monsieur Léon Degrelle. Moreover Belgium had two different

<sup>1</sup> Fritz Bley, "Die Alldeutsche Bewegung und die Niederlande."

national groups within its borders, the French-speaking Walloons and the Flemings who speak a language related to Low German. Since the beginning of the century Pan-German propaganda has demanded the occupation of Belgium under the pretext of saving the "oppressed" Flemings from persecution by the Walloons. This policy was followed during the first World War. Hitler has carried it several steps further. The Nazis attempt to lure the Flemings by treating them a little less badly than the Wallons.

But the Nazis' real aim is shown by the following fact: the French North-eastern provinces, highly industrialized and strategically situated on the North Sea, are governed not by the German High Command in France but by the commanding German general in Belgium. The excuse given is that the majority of their inhabitants is Flemish. Thus the French départements, Nord and Pas-de-Calais, with their rich resources in iron and coal have been detached from France. Here Stinnes and Fritz Thyssen's father, August Thyssen, had made economic inroads even before the first World War. Today these provinces have been added to Belgium which, according to Nazi program, is to play the part of a Czechoslovakia in Western Europe.

In May, 1942, the Belgian Quisling, Henry de Man, declared at a meeting in Paris: "Belgium is a part of the German Reich since it can only survive within the framework of a larger State." And since Belgium is to be incorporated into the German Reich, 3,200,000 Frenchmen are arbitrarily classified as Belgians.

Meanwhile the present dictator of Belgium's iron and steel industry is the former naval captain, Steinbrinck. He happens to be the former managing director of the mining combine of Friedrich Flick, a man who has grown enormously wealthy by trading and dealing in factories and mines like a stamp-collector trades stamps. The firm of Otto Wolff which, with Nazi backing, obtained large industrial contracts from Japan and Manchukuo has taken possession of the Belgian Ironworks d'Ougrée Marhihay. The Steel Trust has acquired shares in the John Cockerill Company. Kloeckner and the Hugo Stinnes Company have founded a firm for the purchase of Belgium mines;<sup>1</sup> while the I. G. Farben trust has penetrated the "Union Chimique Belge" and the Solvay combine.

In Brussels and Antwerp the Dresdener Bank opened the Kontinental Bank, capitalized at 10,000,000 Belgian francs; while the Commerzbank founded the Hansabank in Brussels. At the same time the German private banks and industrial combines seized all Belgian shares in the banks and industries of Jugoslavia and Romania.

### **The Roechling-Darlan Plot;<sup>2</sup>**

### **France's Big Capitalists Choose Hitler**

In Admiral Darlan's office there hung a picture of his great-grandfather who commanded a French frigate in the battle of Trafalgar. The ship was sunk by the British flag-ship commanded by Lord Nelson. The memory of his fallen ancestor is sacred to Jean Francois Darlan, commander of the armed

<sup>1</sup> The London Times: "Trade and Engineering, a Monthly Review of Industrial Progress," October, 1941.

<sup>2</sup> This chapter was written before the Allied invasion of French North Africa. We see no reason to change our opinion of the late anti-Semitic fascist Darlan. His desertion of Vichy did not speak in his favor but for the strength of the Allied cause. It is the old story of the rats who leave the sinking ship.



forces of the Vichy Government. His hatred of the English is a family tradition. It flared up again during the Norwegian campaign of 1940 when Darlan had to serve under a British admiral instead of himself commanding the fleet.

Darlan owes his position not to his prowess in battle but to his reputation as a "swivel-chair admiral." In post-war France he held the post of Chef de cabinet of the French Navy Minister Georges Leygues. At that time he had dealings with a firm that proudly printed on its letterhead: "Fournisseur de la marine d'armée française" (firm producing supplies for the French Navy). The owner of this "Société Anonyme Française de Forges et Acieries de la Sarre" is Hermann Roechling.

This individual has had a chequered career, but today he is at the zenith of his power though he prudently shuns publicity as much as possible. His steel-mills are in Voelklingen in the Saar, right next to the French border. There is an abundance of coal in the Saar. It is the third largest coal-producing region in Germany, coming after the Ruhr and Upper Silesia. But iron ore is lacking. Iron ore mixed with coal gives iron which can then be hardened into steel. And this iron ore is found a few miles to the west in French Lorraine. Prior to 1914 Hermann Roechling together with some industrialists of the Ruhr had acquired a portion of French iron ore production. At the outbreak of war on September 3, 1914, Roechling hastened to the headquarters of the German General Staff with a memorandum demanding the annexation of the famous ore-producing basin of Briey in Eastern France.

But he did not stop there. He struck while the iron was hot—in a very literal sense. Hermann Roechling became a cavalry captain, his brother Robert a major in the German army. They entered France and were placed in charge of industrial production in Briey. They proceeded calmly to dismantle the machines in the French factories and bring them to Voelklingen where they were accidentally (!) installed and operated in the Roechling steel mills. Then they ordered the destruction of all plant equipment they could not take with them. Later Robert Roechling had the bad luck to be arrested by the French. He was given a prison sentence for fraud and theft of French property. His brother Hermann was also convicted but managed to escape to Germany in time. Then he offered to make a "deal" with the "Comité des forges," the leading organization of French heavy industry. He would let them gain a foothold in the Saar in exchange for his brother's liberation. Both sides considered it an excellent bargain. French heavy industry entered the Saar; Robert Roechling was freed and his brother Hermann became a partner in the Lorraine mines and metal plants.

That was how he came to enter into business negotiations with the man who later became Admiral Darlan. What is more, he also received orders for the Maginot-Line construction. One of his branch companies "Lorsar" set up in Paris, obtained large orders for the fortifications along France's eastern border. Thus thousands of tons of armor-plate and iron products went by train and truck from Voelklingen across the border for the construction of a French fortified line against Hitler. Is it any wonder that Hitler was excellently informed as to the plans and weak spots of the Maginot Line? Roechling furnished the armor-plate and the German firm of Siemens,<sup>1</sup> through its Paris subsidiary, took care of the electric installations!

In September, 1939, the French army marched into the Saar. The troops halted three miles from Voelklingen—three miles from the important arms factories of Roechling. But not a single shot was fired on the armor-plate and cannon factories of the business friend of Darlan and associate of the heads of the French Steel Trust. Even when the French army evacuated the Saar before the collapse of France, the High Command forbade its soldiers to fire upon and demolish the armament factories of the Nazi who is today economic dictator of a large part of France.

At the end of 1940 Hitler appointed Roechling head of the iron and steel industry in the French provinces of Lorraine, Meuse and Moselle and President of the Chamber of Industry and Trade in Metz, capital of Lorraine. This was indeed a reward for the man who had profitted from the re-armament of both France and Germany!

Under Roechling's direction the mining combines of Western Germany and the Goering Trust took over the entire iron and steel works and iron-ore mines of Eastern France with a yearly production of 3,000,000 tons of iron and 3,700,00 tons of steel. Not a franc was paid in compensation to the former owners. Roechling himself received the Carls-foundry in Diedenhofen, the town in which his brother Robert had been arrested in 1918. Thus history repeats itself: the robber of 1914-18 has resumed his old game. Now he no longer had to approach Darlan for contracts; now he was able to dictate to Darlan as he pleased. And in the very first year of the Nazi occupation several thousand machines and 160,000 tons of raw materials were carried away from France into Germany. The example of the Ruhr industrialist, Florian Kloeckner, gives an idea of the extent to which French industry was looted. By adding the Kneuttingen Works in Lorraine to his mining combine without paying a cent in cash he was able to increase his productivity by 50%. Goering laid his greedy hands on the mines and foundries of the French magnate, de Wendel; while Friedrich Flick seized the mines of Rombach. The Steel Trust founded the Alsatian Iron and Steel Works.

The branches of French banks in Alsace and Lorraine are controlled by the Deutsche Bank and Dresdener Bank.

These are the German methods in the Eastern French provinces annexed by Germany and in the Northern French provinces which have been joined to Belgium. The Nazis behave differently in the rest of France. Here too the German monopolies are actually in control; but native Quislings are nominally in charge so as to preserve an outward appearance of French economic independence. Take the example of the French chemical and dye industry. After the first World War it managed to free itself from significant German influence. In the autumn of 1941, fifteen months after the collapse of France, the I. G. Farben trust made an agreement with the Kuhlmann combine which dominated the French chemical market. The two trusts founded together a firm bearing the euphonious name of "Francolor." It was capitalized at 800,000,000 francs. The president and employees of this gigantic concern

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<sup>1</sup> Henri de Kérillis in "Pour la Victoire" New York May 23, 1942.



are Frenchmen, but I. G. Farben holds 51% of the shares and thereby controls the French chemical and dye market.

The same process has occurred in the other French industries. International cartels are formed under German direction. Frenchmen and Italians play the part of junior partners in them. Thus in the automobile industry an agreement covering Germany, France and Italy was signed. The Frenchmen most active in arriving at this understanding were the auto-king Louis Renault, long a Hitler-admirer, and his son-in-law Lehideux, minister of economic affairs in the Vichy government.

A similar development has occurred in the textile industry, especially in the French artificial thread production. The German insurance companies under the direction of Kurt Schmitt, one-time Nazi minister of economic affairs and now chairman of the board of German General Electric Co. (Allgemeine Elektrizitäts-gesellschaft), dominate the entire French market. Moreover the German insurance companies have actually taken over the English insurance companies established in France. Instead of Lloyds of London, Schmitt's Munich Insurance Company has become the leading re-insurance enterprise in Europe.

Laval and other Quislings formed the French government. Nominally they were independent. But a German foreign trade commissioner controlled all of France's imports and exports. A German commissioner with far-reaching powers was put in charge of the Banque de France, the French office of foreign exchange. Thus France's entire fiscal policy was placed in German hands. After the Vichy government accepted the disgraceful exchange value of twenty francs for 1 mark, as decreed by Hitler, French currency became closely bound up with the German.

Today France is completely within the orbit of Nazi economy and government. Its entire industry is working for Germany's war production which does not have to pay a centime for this aid. Daily France has to pay 400,000,000 francs to the German army of occupation. Half of this sum goes to the occupying authorities, the other half to a special account in the Banque of France which is at the disposal of the Germans. This credit pays for German orders to French industry as well as for the millions of gallons of champagnes and wines, the stocks of grain and cattle and the products of North Africa which arrived until November, 1942, at Marseilles by boat. The French people are being starved out by French money.

Men like Stinnes, Krupp, Thyssen and Roehling went to war in 1914 for definite objectives. Since 1940 they have temporarily achieved these objectives: the supremacy of German coal over French iron ore. This struggle between French and German capital has been going on for decades. Who would control the coal and iron ore that was made into iron and steel? The question was settled by a monstrous example of treason to the nation: the men of the "Comité des Forges" and the fascist automobile kings Michelin, Renault and Lehideux preferred the rule of Hitler to an alliance with Soviet Russia and a people's war against fascism.

"Laval," wrote the "Frankfurter Zeitung," organ of the German Chemical trust, about Laval's activities in 1939-40, "is still in touch with Italy. Whenever you visit him, some political personality is either entering or leaving his

office. But all this goes on in utmost secrecy. The slightest carelessness might prove disastrous."<sup>1</sup>

It did prove disastrous—not for Laval but for the French Republic which passively looked on while Laval and his highly placed accomplices furnished Hitler in 1939-40 with all the information he desired through Mussolini's diplomats in Paris. For these vile acts of high treason Laval and his brood are recompensed. They get the leavings from the Nazi dictator's table. Not a bad bargain! What motivates them is best expressed in the phrase of Monsieur Guy de Wendel, head of one of the largest mining trusts in France. At the start of the war he was an officer on the general staff of the French Seventh Army. He declared: "Between Hitler and Stalin I do not hesitate; I am for Hitler."

### On the Road to Bagdad

It was in the year 1907. A young man employed by the Deutsche Bank fought with Rockefeller's Standard Oil trust for the Romanian oilfields and lost. What he could not achieve directly he sought to gain indirectly. He became president of the European Petroleum Company and the German Petroleum Company which controlled some oil-wells in Galicia and Romania.

He was also at the head of the Bagdad Railway Company. With capital from the Deutsche Bank a railroad was to be built from Hamburg to the Persian gulf; and the countries which it crossed would be considered and treated by the Kaiser's imperialist government as spheres of influence. The first World War broke out before the line was completed. One of the causes of that war was the Berlin-to-Bagdad railway which would have given Germany mastery over southeastern Europe and the Near East, and which therefore brought her into conflict with England and Russia.

For the head of the Bagdad Railway Co. and Germany's oil trust the World War was a prosperous business. After the occupation of Romania he organized the exploitation of the oil there. As a reward the Kaiser ennobled him and gave him the daughter of his aide-de-camp for a wife. The former young adversary of Rockefeller and now head of the Deutsche Bank, the largest private bank in Germany—this Herr von Stauss was a National-"Socialist" already in 1930. He won a number of big bankers, including Dr. Schacht, president of the Reichsbank, over to Hitler. The Third Reich rewarded him politically with the vice-presidency of the Reichstag and a seat in the Prussian State Council; economically with enormous war-contracts for the firms of which von Stauss is president: the Daimler-Benz auto and tank works, the Bavarian Motor Works, Siemens-Plania, the Artificial Silk trust, etc. Today the multi-millionaire von Stauss again eyes the road to Bagdad. Oil, a magnetic attraction for him all his life, has once more become the goal of German imperialism.

Under Hitler German foreign trade became a conscious political weapon. It was diverted from the larger nations and was given the task of penetrating the small or industrially backward countries. This was to serve as necessary spade-work for their political conquest. From 1929, the last "boom" year before the crisis, to 1938, the last "boom" year before the second World War, the following significant shift in German exports took place, according to official German statistics:

<sup>1</sup> "Frankfurter Zeitung," May 2, 1941.



	1929	1938
Western Europe (including England)	27.3	19.3
USA	13.4	7.5
British Empire (without England)	10.7	6.5
USSR and Poland	5.7	2.7
Balkan and Mediterranean countries	10.9	20.2
Scandinavian and Baltic countries	8.5	12.9
South America	9.4	12.6
Eastern Asia	3.1	5.1

These figures tell a plain story: the economic offensive was the forerunner of the military offensive. The Nazis threw the main weight of their "export assault" against those countries where they later expected to encounter the least military resistance. The sharpest and most successful attack was launched against the nations of Southeastern Europe which are unhappily situated athwart Germany's cherished Berlin-to-Bagdad line. This road leads down the Danube to the oil-wells of Romania, the Caucasus and the Near East.

In 1929, four years before Hitler came to power, the big industrialists of the Rhineland and Westphalia founded a foreign policy organization known as the "Mitteleuropäische Wirtschaftstag" ("The day of Central European Economy"). This group is still headed by Baron von Wilmowsky, brother-in-law of Krupp, the cannon-king. On October 11, 1941, he presided over a meeting establishing a Romanian branch of this organization. He formulated the purpose of this branch as follows: "to promote German collaboration with the countries of Southeastern Europe through the initiative of private business." Wilmowsky reported on the results already achieved in the field of mining and oil-bearing fruits. "The great task of the future," he said, "is to raise the agricultural economy of Southeastern Europe to a higher level."<sup>1</sup>

In these words the economic role of the Balkans is sketched: They are to supply industrial and agricultural raw materials for the Third Reich. Even as early as 1933—the year Hitler took power—Wilmowsky considered German-Yugoslavian co-operation, which had just begun, the first step toward the creation of a "Central European area of living space" ("Grossraum"). This is the word which has become synonymous in the second quarter of the 20th century with German imperialist domination.

The methods by which German monopoly capital doubled its exports to the Balkan countries were at once primitive and effective. A considerable portion of Balkan commodities was bought by Germany and then sold on the world market. In this way the Third Reich prevented the small nations of Southeastern Europe from selling their goods to other countries. With the foreign exchange thus obtained, Germany was able to purchase oil and iron-ore for the Nazi war machine.

The very last thing Dr. Schacht, then Reich Minister of Economy, intended was to pay the small Balkan nations for their products. No money was available for them. Instead of cash they had to accept German goods. The small countries, having become large creditors, had no alternative—they had to accept. Since they received no money they could not purchase what they needed where they wanted to. They did not have sufficient business dealings with other large countries to resist the Third Reich. They had to reconcile them-

<sup>1</sup> "Der Neue Tag," Prague, Oct. 12, 1941.

selves to German imports. So by not paying its debts, the Third Reich made the Balkan countries economically dependent. Political dependence soon followed. By becoming their biggest debtor, the Hitler government got the upper hand. The method was, to say the least, original! Economic penetration preceded political and military penetration like wind before the rain.

In the spring of 1941, four weeks after the German army had overrun Yugoslavia and Greece, the Nazi newspaper in Vienna "Suedestecho" wrote:

"In the first place, Serbia will make a valuable contribution to Germany's agriculture and forestry by supplying 200,000 prisoners of war to fill the gaps in the ranks of labor, created by the present situation . . . The existing mines and foundries of Serbia can be included in the Four-Year Plan without further ado. The Serbs are indeed lucky — now they have the best German specialists at their disposal."

The Nazi big-wigs are certainly not lacking in cynicism. After razing Belgrade to the ground and making a pile of smoking ruins of the entire country, they congratulated the invaded Yugoslavs upon having German conquerors. The leader of these "best German specialists" is Herr Neuhausen, responsible Nazi head of Yugoslav economy, formerly German consul in Belgrade. He had previously been sentenced to several years' imprisonment in Bulgaria for a non-political crime he had committed and then expelled from that country. Members of the staff of the Goering Combine have been his chief accomplices in the spoliation of Yugoslavia.

There is not a single Balkan State left whose economy is not a part of the Third Reich's domain. Even Greece, which Mussolini demanded as an Italian sphere of influence, is occupied by Italian troops but exploited economically by German capitalism. The fascist accomplice, too weak to challenge his powerful Nazi colleague, is left out in the cold every time the spoils are divided. In the first World War, Austria received a similar treatment at the hands of German imperialism.

### **The Big Bankers of Berlin Control the Balkans**

The expansion of the big German banks in the Balkans is especially revealing. In the summer of 1941 the "Deutsche Bank," the largest private bank in Germany, acquired a majority of shares in the Sofia Credit Bank, opened branches in Yugoslavia, and found time to negotiate a so-called "friendship agreement" with the Greek National Bank in Athens. That same year it acquired 90% of the capital of the Banca Commerciala Romana, one of the largest Romanian banks previously controlled by French and British capital. A prominent Romanian, Marinescu, was given a seat on the board. He is executive director of the Romania oil company "Concordia" which he helped the Germans to obtain. This facilitated his entry into the Antonescu government. In 1941 Marinescu became Romanian Minister of Economy and as such greatly aided the Deutsche Bank and the trusts of the Third Reich.

The Dresdener Bank controls the Societatea Bancara Romana of Bucharest, capitalized at 200,000,000 lei, and the Croatian Land Bank. The Croatian Bank Union was taken over by the Deutsche Bank. The "king" of Croatia, an Italian prince, has so far not dared to set foot in his kingdom. The Bank of Athens has also fallen to the Dresdener Bank. These two banks have together formed a "Greco-German Financial Society" headed by the Berlin bank director Pildner and the Greek Prince Ypsilanti whose ancestor in the 19th



century struggled for Greece's independence. His grandson helps deliver his country to an oppressor more infamous and terrible than the Sultan ever was. The Dresdener Bank opened a branch in Belgrade where the General Jugoslavian Bank Union, the largest financial enterprise in the country, was "requisitioned" by the Deutsche Bank, the Dresdener Bank and several other German banks acting jointly.

### The Real Masters of Romania

The Balkans have become colonies. They have been colonized by the banks, the Goering Combine, the I. G. Farben trust and the German industrial trusts. All of Romania's heavy industry, the most highly developed in the Balkans—is today either directly owned by Germans or controlled by Germans holding a majority of the shares. The three leading banks in the country are administered by Germans. The Reich authorities forced the Romanian government to carry out a building and construction program which has already cost them 8,500,000,000 lei. German industries and building materials firms not only furnish all the materials, machines, trains and locomotives; they also do the actual construction work themselves.

The Reshitza trust, the Krupp of Romania, has passed into the hands of the Goering Combine. Albert Goering, nephew of the fat Marshal, is now director of the Czech Skoda Works and the Romanian Reshitza Works.<sup>1</sup> Goering himself got a much bigger prize. Together with the Romanian Premier Antonescu and the Minister of Economy Marinescu he founded in Bucharest a Romanian-German company for iron production and distribution. He took 50% of the stock.<sup>2</sup> This involved the powerful Malaxa trust which the Romanian government expropriated from its owners. It consists of three large factories manufacturing iron and steel pipes, arms and ammunition, locomotives, railroad coaches and machines and is capitalized at over 2,000,000,000 lei. These factories are very modern in equipment and are capable of producing large quantities of goods. Commercial and technical direction now lies in the hands of the Goering Combine.

Romania's oil belongs to a consortium which was formed in April, 1941, with the financial blessing of the Deutsche Bank, under the name of Continental Oil Inc. The participants are the I. G. Farben trust, the Goering Combine, the Wintershall Combine and several German producers of synthetic oil. This consortium supplies the drilling machines and other technical equipment for the oil companies in which Western European capital has been replaced by German money. Specifically, the German industrialists involved are the Ruhr magnates who have a modern process for getting oil from coal. Wintershall is important because this firm is the largest potash producer in Germany, supplying more than 40% of total German potash production.

But not so well known is the fact that already in the 'twenties the president of this firm, August Rosterg, wrote signed articles under his own name in the Nazi party newspaper, "Voelkischer Beobachter." Chairman of the board of Wintershall is the armaments manufacturer Quandt. This man with his brother controls the German arms and ammunition factories at Berlin-

<sup>1</sup> German American Commerce Bulletin, October, 1940.

<sup>2</sup> German American Commerce Bulletin, February, 1940.

Wittenau, the world-famous Mauser works, and the Duerener Metal Works, an important source of production for Goering's Luftwaffe. Dr. Quandt was the first husband of Mrs. Magda Goebbels, wife of the present propaganda minister. Dr. Goebbels had his predecessor arrested in 1933 and refused to have him released until Quandt paid him 1,000,000 marks. Then Goebbels proceeded to buy himself the most luxurious home in the Berlin region, a palace-like structure on the island of Schwanenwerder. Wintershall himself squeezed Rockefeller's Standard Oil out of Hungarian oil production in 1941; and today Hungary's oil belongs to Rosterg and Quandt. They have also seized the oil-wells in the puppet-state of Croatia carved out of Yugoslavia.

The I. G. Farben trust does not limit itself to exploitation of Romanian oil. In the last few years it has more than quadrupled the production of sun-flowers for seed-oil by agreements with the Romanian government. The cultivation of soya beans rich in vegetable-oil, begun by I. G. Farben, has greatly increased. The entire crop of soya beans goes to Soya AG, a subsidiary of I. G. Farben. German capital financed 120 new Romanian co-operatives for the express purpose of acquiring the dairy products in the country and shipping them to the Reich.<sup>1</sup>

Not only oil is shipped to Germany at an accelerated pace. The same fate has befallen the other raw materials of the country: especially bauxite, copper, chrome and manganese. The reserves of bauxite, a vital raw material in war production, in the Romanian Bihor mountains are said to be the richest on earth. They are estimated at 30,000,000 tons with a high aluminum content.<sup>2</sup>

German capital dominates Bulgaria and Greece as it does Romania. All of these countries buy their locomotives and railroad cars only from Krupp, Henschel and Schwartzkopf. The Germans have made them re-organize their agriculture and cultivate soya beans and flax (for military uniforms).

From 1934 to 1941 the Soya Company of the I. G. Farben trust, aided by the Bulgarian government, increased the acreage devoted to soya beans from 1500 hectares to 60,000. The peasants have no say in determining prices. They have to abide by the decisions of the Soya Company.

### **The Subjugation of the Nordic Brethren**

The regime imposed upon the "Aryan brethren" in Northern Europe is scarcely distinguishable from the methods practised in the Balkans. In the spring of 1940 Denmark and Norway were overrun. The occupation was also strategically important with regard to the attack on Soviet Russia two years later. For with Denmark and Norway in Hitler's hands it became very difficult and dangerous for America and England to maintain European connections with Russia.

At the same time German imperialism found in Denmark an abundant source of meat and dairy supplies. It was able to monopolize the high-grade iron-ore of Sweden which is cut off from the rest of the world by Finland to the East and Norway to the West and is therefore forced to export by way of Germany.

Norway itself has resisted and is resisting with magnificent courage. Nazi policy toward Norway has been infinitely harsher than toward the agrarian

<sup>1</sup> German American Commerce Bulletin, February, 1940.

<sup>2</sup> Bulletin of the Deutsche Bank, February 28, 1941.



country of Denmark. In Norway the stakes are iron ore and heavy industries—so German finance is ruthless. The largest iron-ore mines situated in the North of the country near Kirkenes, the A. S. Sydvaranger, now belong mainly to the mining trusts of Western Germany. In 1939 these mines produced 2,750,000 tones of ore. The figure has meanwhile risen considerably.

All the American and British-owned mines and machine-shops in Norway were welcome booty to the German trusts. The Mellon interests in a number of Norwegian aluminum factories were taken over by German monopolists. The Dunderland Iron Ore mines belonging to the London company of the same name, the Killingdal mine owned by the Bede Metal and Chemical Co., the Norske Zinkkompani (owned by the Compagnie Royale Asturienne des Mines) and the Falconbridge Nikkelwerk (Brandeis, Goldschmidt and Co., London) are today in the hands of the Goering Combine and the mining trusts of the Rhineland and Westphalia. The I. G. Farben trust now controls the important Norwegian chemical combine Norsk Hydro El Evaelstof. These two trusts have co-operated to build factories for the production of light metals and aluminum oxide (A. S. Norsk Lettmetall).

\* \* \*

The result of the first three and a half years of this second World War is clear. Death and desolation have come to occupied Europe; and in every German family there are casualties—dead, wounded or missing. Meanwhile the big steel and chemical trusts and the leading private banks in Germany have reaped enormous profits from two sources: on the one hand from big arms contracts, and on the other from looting the natural resources and factories in the occupied countries. These few thousand financiers and Junkers and a handful of Nazi leaders are the real beneficiaries of Hitler's aggressions. The so-called "master race" destined to rule the world is identical with the real rulers of Germany. For them the German people has had to pay a frightful toll in blood; for them the peoples of Europe have been subjugated, crushed and trampled on as never before in history.

## DEATH AWAITS YOU IN THE EAST

In June of 1941, the Junkers von Bock, von Keitel, von Brauchitsch, von Kleist, von Leeb, von List, von Kuechler invaded Russia. When they had conquered the western part of the Soviet Union, they told its population: "The Bolsheviks have deceived you. Now you will get real socialism." But under the military uniforms of the aristocratic "German socialist," the workers and farmers could see only mediaeval feudalism. Their war against the invaders did not stop; guerilla raids every night made victory little more than a word. So bloody did the Russian campaign become that on June 30, 1942, the poet-laureate of the Third Reich, Hans Friedrich Blunck, wrote resignedly in Goering's paper, the Essen "Nationalzeitung:"

"The morning twilight opens like a flower.  
The Eastern clouds burn red over Russian plains,  
Where crows cry mournfully and somewhere death  
Stands quietly awaiting you . . ."

The newly created Nazi government of the conquered Russian territory knows about this eastern death, and Alfred Rosenberg, "Commissar of the Reich for the Eastland", does not dare to go even to Reval, his birth-place. Rosenberg was born in 1893; during the first world war he was in Paris—though for what purpose he has never explained or wanted to explain. Afterwards he turned up in the Nazi movement and became editor-in-chief of the "Voelkischer Beobachter." Soon after that he came into contact with the English oil-king Deterding.

Rosenberg has a bitter hatred for everything Russian. He explains in his "Myth of the Twentieth Century" that he can never forgive a people who, in 1917, threw out the entire class of "blond, Germanic leaders". By which he means, of course, not only the Czar, the grand-dukes, and the big land-owners, but also Mr. Alfred Rosenberg.

So Rosenberg governs the Russian provinces by remote control, from the former Soviet embassy in Berlin, Unter den Linden number 7. The territory under his control includes some 300,000 square miles, and a population of eighteen million. He has divided it into four general commissariats: Lithuania, Latvia, Estonia, and White Russia (including small parts of the Ukraine).

To some of these districts, Rosenberg has given presents—presents which cost him nothing, and for which the Baltic peoples never asked. Thus Latvia received the Russian district of Velikye Luki, the town and province of Pskov were given to Estonia, and parts of Polish White Russia went to Lithuania. With the usual Nazi pompousness, each of these "gifts" was celebrated by a national holiday—but celebrated only by the conquerors. The people remained indifferent; they saw in such annexations only an attempt to play off against each other Russian and Baltic populations.

And unnecessary celebrations could not conceal the realities of an enormous



and still-growing tax-rate. Taxes of a hundred and fifty rubles per person, a hundred and fifty rubles per dog, six hundred quarts of milk per cow, thirty eggs a month per chicken, fifteen rubles for each window in a house, ten rubles for water . . . these figures can only begin to picture the financial slavery of the Nazi rule in the Baltic and White Russia. The Nazi control is even worse than that of the Baltic German barons, who for centuries tyrannized the same countries.

One of the first acts of the conquering Nazis was to establish branches of the "Deutsche Bank" and the "Dresdener Bank" in Reval, Riga, Kowno, and Minsk. All transactions must be made through one of these banks. In the same way, the entire foreign trade of the "Eastland" is controlled by German companies. An "Eastland Company," organized by German capitalists, took over all industry. "The Continent Oil Company," which I mention in another chapter, now officially monopolizes all oil and oil products in Rosenberg's territory, through a newly established eastern branch. German film companies, of course, have the exclusive right to produce and distribute films.

Rosenberg knew perfectly well that he could never get the people of the occupied countries to cooperate with him. So he has hit upon a plan which may seem fantastic at first glance: to settle three million Dutchmen in the Baltic and White Russian districts. In this way he hopes to kill two birds with one stone; at the same time that Holland (of supreme strategic importance to a Germany at war against England) is being repopulated by Germans, those of the Dutch people who remain hostile to the Nazis will be torn from their homeland to form a living wall against Bolshevism. With this plan in mind, the Dutch Quisling, Rost van Tonningen, has already organized a "Netherlands East Company." And a number of important Dutch colonial companies have been "persuaded" to use their capital in forwarding such emigration. From the German point of view, only one detail remains unsettled: the Dutchmen do not want to move or be moved to the "Eastland".

In the Middle Ages the German Emperors looked with yearning towards Italy. In the twentieth century, the Ukraine has replaced Italy in the wishful thinking of German imperialism. During the first world war the generals of Wilhelm II ransacked the Ukraine's rich plains. But the Russian revolution, the advancing Red Armies, and the revolts of the German soldiers themselves put an end to the plunder.

Today Erich Koch rules over the Ukraine as Commissar of the Reich. It is more than coincidence that an East Prussian Nazi Gauleiter should govern the Ukraine, for more than any other part of Germany, East Prussia has always been the domain of great land-owners—land-owners who have long been tempted by the rich black soil of the Ukraine. Erich Koch, friend and well-wisher to the Junkers, leans heavily towards the aristocracy of East Prussia; he appointed many of the younger aristocrats commissars over what had been Soviet Collective Farms. In the Ukraine they spend the new currency Koch introduced, noting with pride its German inscriptions. But the Ukrainians themselves hide their Russian rubles, anticipating the eventual victory of the Soviets, when the Nazi money would become worthless. All Koch's attempts to find Quislings for either local or central governments have failed. The Council of Elders he provided for each village collapsed under the contempt of the people for any official who might collaborate with the Nazis. In

Berlin the Nazi "Ukrainian University," opened by Rosenberg in 1934, proved a failure. The Nazis failed again when they sent Skoropadski, by the grace of Wilhelm II "Hetman of the Ukraine", to establish a puppet government following the Nazi conquest. Skoropadski found the whole Ukrainian population so much in favor of the Soviets that those few individuals who might have served in such a government were afraid to expose themselves.

As late as the beginning of September, 1942, Koch complained in an article in the "Voelkischer Beobachter" that "guerilla raids are still harrassing the country." The same day—it was the first anniversary of the occupation of the Ukraine—he acknowledged again the seriousness of the situation by appointing special guards from the Gestapo, the Storm Troops, and other military groups, to watch over the harvesting of crops, and their delivery to Nazi officials.

And what becomes of the coal of the Don Basin? What happens to the iron of Kriwoj Rog? Who gets the manganese of Nikopol? In the autumn of 1942 Goering's magazine, "Vierjahresplan," declared without subtlety that heavy industry must disappear from the Ukraine, and that Ukrainian raw materials must be sent to the industries of the Reich. So the Nazis openly steal the products of the Ukraine; ore and coal mines are worked to exhaustion, and their products are shipped off to Germany with no mention of payment. This plundering has been organized by the Goering Werke im Osten, which seized in 1942 the iron ore mines of Krivoi Rog and the manganese mines of Nikopol.

But all this does not happen as smoothly as Nazi imperialists might desire. For one thing, there is a shortage of workers. Hundreds of thousands of Ukrainian workers have been sent to Germany with the raw materials from their country (according to Koch's own words in the article mentioned above) and many others have either marched off with the Red Army, or joined the guerillas hiding in the forests. The mines had been destroyed by the retreating Red Army in line with their scorched-earth policy; when finally they could be reopened, those few miners still available worked so slowly as to drive the Nazi Commissars to despair. Neither executions nor mass murders have been able to move these people to loyalty or fear.

Here in the "Eastland" Hitlerite imperialism reveals its methods in particularly disgusting manner, unequalled in all the modern history of capitalist nations. Heinrich Himmler, not only chief of the Gestapo, but also "Reich Commissar for the Strengthening of Germanism" wrote in July, 1942, in the monthly "German Work" (Deutsche Arbeit):

"It is our task not to germanize the East in the old sense of the word, that is, to teach them the German language and German rules, but to see that only those people who have real Germanic blood live in the East."

This imperialism presents new phases. It is no longer the old-fashioned imperialism which conquered and colonized but let the natives live. Here it means the annihilation of the whole population, to whom nothing is left, not even life itself. That is not the imperialism of the usual color. That is the return to the time of prehistoric barbarism.

The "Eastland" is a hard nut to crack. Already its cracking has cost the Nazi conqueror several teeth. As Blunck wrote: "The crows cry mournfully and somewhere death stands quietly awaiting you . . ."



## A VISION AND ITS REALIZATION

It was in the year 1911. The second Moroccan Crisis caused the generals of Europe to rattle their sabres. There was published in Leipzig a pamphlet whose annexationist aims sounded so fantastic that in many circles they were not taken seriously. Moreover, the booklet was never translated into English. Under the title "Greater Germany, the Task of the 20th Century," the Pan-German author hiding behind the pseudonym of Tannenberg sketches the boundaries of Germany as only a fanatical chauvinist could imagine them. Compare these hallucinations for which no one wished to assume responsibility prior to the first World War, with Hitler's reality:

"France possesses 70 billions in gold. That will be enough for us . . . France cedes to Germany the Vosges with Epinal, the Moselle and Meuse with Nancy and Luneville, the eastern half of the département of Moselle with Verdun and the Ardennes with Sedan. France takes the inhabitants of these regions and settles them somewhere else. France renounces her fleet which is handed over to the German Reich. France renounces her colonies with the exception of Algeria. Italy receives Corsica and the region of the Alpes-Maritimes. The well-known Riviera cities of Menton, Monaco (Monte Carlo), Nice and Cannes become Italian."

Daily Hitler extorts 400,000,000 francs from France. He has already annexed Alsace and Lorraine to Greater Germany, expropriated the French population of Lorraine and expelled them to then unoccupied France. The French region bordering on Alsace-Lorraine, from Amiens in the north to Dijon in the south, has been declared a "forbidden zone" by the Nazis. Forbidden to the French! Their absence serves, as the "Hamburger Fremdenblatt" of Oct. 8, 1941, pointed out, to facilitate the germanization of the territory to which thousands of German peasants are being sent. This zone extends even further to the west than the territorial demands in Tannenberg's pamphlet. It is a well known fact that Hitler's and Mussolini's troops have infiltrated France's African colonies. And finally, Mussolini demands exactly the same regions which Herr "Tannenberg" granted Italy over thirty years ago.

"Germany's economic domain will be profitably rounded out by the annexation of the Netherlands. For it is absurd that the regions through which the Rhine passes, including the main industrial centers of Germany, should be separated from the seaports at the mouth of the stream, Antwerp, Rotterdam and Amsterdam, by a tariff boundary. The only course left for the Netherlands will be to return (!) to the German Reich."

The program carried out by Hitler corresponds in every way to the program elaborated 32 years ago. The tariff boundary no longer exists; and Holland and Belgium have been economically and politically annexed by the Third Reich.

"Luxemburg and Switzerland likewise join the new Reich."

Half of this demand has been attained, while Switzerland is periodically threatened by Goebbels' press with the fate of Luxemburg.

"A tariff union of Greater Germany with the Balkan countries is in the interest of both parties. On the one hand Greater Germany as a world power, an industrial and commercial State; on the other hand Magyaria (Hungary), Romania, Serbia, Bulgaria, Albania and Greece exclusively as agricultural lands. By such an arrangement the trade of the entire Orient, in Asia Minor, Syria and Mesopotamia will fall to Germany. These regions could also be bases and corridors for us in every respect toward East Asia and Africa."

Today the Balkan peoples must really play the part of landtilling slaves that was allotted them in 1911. Hitler has subjected all the above-named countries to a most rigid military and economic rule. He deports their manpower either as work-slaves to Germany or as cannon-fodder to his war-fronts. Basing himself on his newly acquired positions in the Balkans, he has sought to disrupt Turkey from within and staged putsches in Iraq and Iran. The facts of his disruptive activities in the Near East are notorious. Indeed, the head of Nazi imperialism has never made a secret of the fact that the Balkans represent a springboard to the Northeast and the Southeast, toward the Soviet Union as well as toward the Near East, the Middle East and Egypt.

"The period of the rise of Russia from 1572 to our day is a wretched patchwork, conditioned by the cultural work of the German Baltic barons on the masses of the Russian people . . . Our friends, the Japanese, will conquer Siberia and fight with the Russians on the Urals. There will result diplomatically between the Baltic and the Black Sea an empty space, and we Germans are destined to fill up that space. Siberia will be Japanese to the Urals. Western Russia and Greater Lithuania will seek protection (!) and annexation to Germany."

It is all there: Alfred Rosenberg's theory of the blond, blue-eyed German aristocrats governing the Russian State because the Slav race is incapable of self-government and even the German-Japanese alliance for the partitioning of Russia. To show how Hitler has carried out the 30-year-old instruction down to the smallest details, we quote "Tannenberg's" proposals for germanizing the population of the Baltic States and Western Russia including Poland:

"The German Reich safeguards the large landowners from a Latvian-Estonian revolution and demands land on which to settle its own superfluous population. 2,600,000 Germans are to immigrate and establish settlements in the three Baltic provinces. The germanization of Latvians and Estonians should then cause little difficulty if the State shows firmness of will. The schools of higher education and both high schools will only take children of German parents. The language in the public schools will be German. Newspapers will not be allowed to appear in the Latvian or Estonian language. The authorities will transact business only in German. Agitators will be exiled. In this way a situation will arise in which the interest of the German landowners will be safeguarded. Moreover, the Lithuanians and White Russians will also be germanized within a reasonable period of time."

After pointing the way to a brutal denationalization of the peoples of Eastern Europe—the same way Hitler has today taken—"Tannenberg" turns to England. He wants no war with England and says so several times expressly: "There is room in the world for England and Germany." Thus Hitler wrote in "Mein Kampf," thus he spoke before the outbreak of this war. And during the war itself several of his Reichstag speeches were attuned to the same note. The man who sketched a Greater Germany on paper in 1911 invited England to share the world with Germany. Hitler and Hess did the same.

To be sure, "Tannenberg," like Hitler, has an alternative policy ready. In case Germany should have to go to war with England, at the peace-table the British would not only have to pay an indemnity of 50 billion marks but



also yield Egypt, the Sudan, British East and Central Africa. In Asia the spoils of Greater Germany would comprise: Southern Arabia, Ceylon, Malacca, North Borneo and Hong-kong, and near Australia South Guinea and the Polynesian islands. Of England's colonies in Central and South America Greater Germany would claim: Trinidad, the Barbados, British Guiana and the Falkland Islands.

### What Germany Intends to Take "Under Its Protection" in South America

Let us glance a moment at South America. But before considering Greater Germany's intentions in South America, let us cast a backward glance. Everything which the 1911 program foresaw for Europe has been fulfilled by Hitler insofar as he had power to do so. In one direction he has gone even further: for example, the annexation of Scandinavian countries was not foreseen by "Tannenberg." The struggle against England to whom Hitler originally offered a partnership is now being waged by him with the obvious intention of seizing Great Britain's imperial possessions in the world. If therefore Hitler has executed the Tannenberg program in every point, the aims of Herr "Tannenberg" with regard to South America become most interesting and timely:

"The German settlements in South Brazil and Uruguay furnish the only light in the dark picture of South American culture. Here 500,000 Germans are living; and it is to be hoped that in a 'new order' for South America, once the mixed breeds have been completely stripped of power, the important region of the La Plata basin with the western, eastern and southern coasts belonging thereto, will become a possession of the German people. It is really a wonder that the German people have not long since decided to seize power there. 500,000 Germans in a temperate climate in a country 5,500,000 square kilometers in size — this fact should suffice. False modesty is uncalled for . . . Germany will take under its protection the republics of Argentina, Chile, Paraguay and Uruguay; furthermore, the southern third of Bolivia and the southern portion of Brazil."

Tannenberg is no exception. Before the first World War a book by Wilhelm Sievers entitled "German Interests in South America" demanded "decisive influence for the German Reich in South America." Another Pan-German doctrinaire, Dr. Wilhelm Wintzer, declared quite serenely in his book "Germans in Tropical America": "The beautiful regions of the planet must be ruled by Germans." So he proceeded to demand "living space for German industry and culture in South America."

South America from the 20th degree latitude down to Cape Horn must become German! Naturally, the cunning Pan-German leaders picked out the region which was most suitable because of its non-tropical climate and which produced the commodities they needed most. According to this plan, which took into account possible German-English collaboration, the northern half of South America was allotted to Great Britain; and the United States was to be held in check by a threat of war.

A quarter of a century later when tension with Great Britain mounted and finally led to the second World War, the famous geopolitician and teacher of Hitler, General Haushofer, developed the theory that only five States of South America deserved to exist: Brazil, Argentina, Chile, Peru and Colombia. The other countries would have to join these five states which, of course, would in turn become German protectorates. To the best of our knowledge, this was the secret Nazi map of which President Roosevelt spoke at the end

of 1941 when he revealed a Nazi plan to divide South America into five Quisling-States.

### The Spanish Springboard to South America

German generals do not quarrel over imperialist aims. That one day Greater Germany must rule the world is for them axiomatic. But they are by no means in agreement as to the methods for achieving this world mastery. And so Haushofer too has an opponent in General Wilhelm Faupel. He is one of the most interesting strategists of German imperialism although he has never been decorated with laurels won in actual warfare. During the first World War he was in charge of the important and very effective German spy system in Spain. Later he travelled around South America. Under Hitler he became president of the "German-Ibero-American Institute" which had tremendous sums of money at its disposal and spread Nazi propaganda in Spain and South America. At the Berlin headquarters of this Institute took place the conferences between Faupel and the Spanish General Sanjurjo which prepared the strategy of the July, 1936, uprising in Spain. Sanjurjo lost his life at the outset of the putsch. Faupel did not die. He became Hitler's first ambassador to General Franco, Sanjurjo's successor.

Nor has Faupel been in action at the front during this second World War. He has nonetheless a most important command: he is really the field-marshal of the Fifth Column in Spain and South America. On April 3, 1942, the Army and Navy Intelligence Services of the U. S. A. published the list of German agents who journeyed to and from Latin America on the planes of the Italian "Lati" air-line. The name of General Faupel appears twice, once with the note "military, east coast of South America," the second time as "Spanish specialist carrying papers of special assignments directed by Hitler."

Faupel, like Haushofer, wants to bring Latin America under Nazi control. But not directly, as the former desires. Faupel wishes to use Spain as an intermediary, as a bridgehead for the conquest of Latin America. Latin America is to be disrupted and again brought under Spanish domination with the concept of "Hispanidad." But Spain must be firmly in German hands. This was the vital political aspect of Axis intervention in Spain. Many Americans were unable to recognize it because they knew nothing of the writings and deeds of the "German-Ibero-American Institute." Thanks to Faupel, the "Falange," Spain's fascist organization, became an instrument of Hitler's policy of aggression. In the course of the past few years 8,000 Falangist agents have been sent to the Americas for political work.

The German Chemical Trust, Krupp and the two German Electrical Trusts financed the Franco uprising, Faupel's disruptive work, the Nazi organizations in Spain and Latin America, and propaganda in the southern half of this hemisphere against the U.S.A. We shall soon see how.

In 1934 one of the first firms controlled by I. G. Farben, the Frankfurter Metal Company, entered into negotiations concerning Spain's mineral resources with the then Prime Minister Gil Robles, leader of the reactionary forces in Spain. At the beginning of 1936 the coveted mining concessions were granted in principle. But before the contract could be signed the Popular Front came to power in Spain in April, 1936. The Metal Company gave up hope of persuading the Popular Front government to sell the minerals of Spain to Ger-



many; so they turned to Berlin where Faupel had just begun his consultations with Sanjurjo, the Spanish insurgent general who prepared the insurrection. Sanjurjo offered the desired iron-ore resources in exchange for Nazi aid in planes, tanks and troops. As a matter of fact today, after Franco's victory, the Metal Company—in other words, I. G. Farben—controls a number of Spanish iron-ore mines. Another beneficiary is Krupp, about whom the "Yearbook of the Ruhr Coal Region" writes:

"To increase the sale to Spain of railroad and shipbuilding equipment, the firm of Krupp has entered into closer relations with the Maquinist Terrestre y Maritima Company as well as with a group of Spanish firms constituting the Union Naval de Levante in Madrid."

The president of the Union Naval de Levante is none other than the notorious adventurer and millionaire, Juan March, the man who finances Franco and the activity of the Falange in Latin America. Thanks to its close connections with March, Krupp obtained the important iron-ore mines in the Basque country in northern Spain after the conquest of the country by the armies of Hitler and Mussolini.

Next to Krupp and the Chemical Trust the two German Electrical Trusts play an extraordinary role in Spain. Siemens, linked to the American Westinghouse Co., controls a part of the Spanish market with its 15 branches in the country. The German General Electric (A.E.G.), connected also with the American General Electric, not only controls a number of power-plants in Spain but also, in conjunction with the Deutsche Bank, has extensive influence in the "Compania Hispano Americana de Electricidad" (Chade) which furnishes Buenos Aires, among others, with electricity.

The Nazi leaders of Spain and Latin America are mostly men from the ranks of German finance-capital, paid and financed by the latter. The first Party leader for Spain and Portugal, Friedrich Wilhelm Burbach, received his salary as a result of an agreement made at the end of 1933 from the following firms: the I. G. Farben Trust, the German Overseas Bank (Banco Alleman Transatlantico) and the German chemical firm of Merck. The head of the Spanish branch of I. G. Farben, the Union Quimica y Lluch, reported this on Dec. 14, 1933, in a letter to the management of I. G. Farben and gave the following reason:

"In this way we will be more closely connected with the very fine and loyal commissar. This will certainly be advantageous for us when we are faced with fundamental decisions."<sup>1</sup>

When Burbach was recalled to the Foreign Section of the Nazi Party, the Siemens firm made the director of its Madrid branch, Walter zu Christian, available for the post of Nazi leader in Spain. The organizer of Gestapo work in South America, Carl Cords, came from the same Siemens branch. His activities were cloaked under the term "harbor-service." (Hafendienst).

### Drug-trade With Serious Consequences

In Latin America too German finance-capital provides the framework and general staff of the insurrectionary Nazi groups who aim at turning Latin America into a colony of the Third Reich. By far the most influential German

<sup>1</sup> "The Real Rulers of Germany" — by Hans Behrend.

trust in Latin America is the Chemical Trust; and its directors and employees are the leaders of the Fifth Column.

The director of the Bayer Company, the I. G. Farben branch in Venezuela, Arnold Magerie, was leader of the Nazi party (Landesgruppenleiter) in Venezuela and of the entire West Indies region.

In Costa Rica the head of the firm of Bayer, Erwin Grosser, was at the same time leader of the local Nazi group in the capital of San José.

In Chile the Bayer-employee Werner Siering sold propaganda of the Third Reich as well as drug products of his firm. He was the official secretary of the Chilean Nazi organization. Another agent of I. G. Farben, Werner Schorr, was head of German secret service in that country.

Herr Hameres, director of branches of the Chemical Trust in Brazil, belonged also to the top group of German espionage agents in the largest country of Latin America.

Alfredo Moll, director of Anilinas Alemanas, the Argentinian sister-firm of I. G. Farben, is one of the most prominent Nazis in South America. He makes no secret of his disruptive work since he feels safe as a naturalized Argentinian and son-in-law of Dr. Prebisch, president of the Central Bank of Argentina.<sup>1</sup>

The name of Humboldt is justly revered in Mexico. A hundred years ago the German scientist, Alexander von Humboldt, was a passionate advocate and ideological founder of the liberation movement in Mexico and Cuba. Hence in these countries his name is as honored as the name of George Washington in the United States. What have Hitler and the Chemical Trust done? They have sent a great-grandnephew of the same name, Alexander von Humboldt, to Mexico. There he was director of the Bayer-branch of I. G. Farben and and at the same time head of espionage in the Nazi colony. The name of his great ancestor served as a screen for criminal acts of Hitler and his greatest trust.

"Nazis have controlled three-quarters of the drug business in Latin America. For months they have been building up large reserve supplies of various drug products. They are now believed to have around \$30,000,000 of these stocks on hand, enough for two years' business. The first line in this economic war is the drug trade, which Nazis have been using as their chief source of funds for propaganda and fifth column activities. This is possible because of the high value and light weight of most drug products, which enables them to replenish supplies by Italian airplanes from Africa and other devious methods"<sup>2</sup>

The example of Argentina shows the tragic political consequences of this economic undermining work. While the United States is fighting a war for its very existence, the Argentine Government blocked the efforts of Secretary of State Cordell Hull at the Rio de Janeiro Conference in 1942 to set up a Pan-American bloc against the Axis. Under President Ramon Castillo of Argentina the Fifth Column is extremely active. Nazi short-wave radios in Argentina receive directives from the Third Reich and notify Nazi U-boats when ships leave American harbors. Argentine newspapers, bribed with Nazi money, laud more or less openly the aims of the swastika hordes. 203 of the 210 German schools in Argentina spread the gospel of Hitler's "Mein Kampf."

<sup>1</sup> New York Post, March 30, 1942.

<sup>2</sup> New York Times, December 21, 1941.



Patagonia, the strategically important province in southern Argentina at the lower tip of the continent, is a happy hunting-ground for Nazi capital. Most of the mining concessions are in the hands of Mannesmann, Kloeckner, Stinnes, Thyssen, Bosch and others. The Lahusen Brothers, multi-millionaires, discussed in 1939 with the representatives of the German trusts the military separation of Patagonia from Argentina. Even now the Federal Government is by no means sure of its hold on this strategic province.

Bayer and Merck, branches of I. G. Farben, with many offices in Argentina, Siemens-Schuckert, International Telephone, the Deutsche Bank, the Deutsche Transatlantische Bank, the Deutsche Bank fuer Suedamerika—all these firms, and the big industrialists located in the south, represent a state within a state. They are the centers of sabotage, espionage and Nazi preparations for conquest.

The political campaign of the German trusts with their powerful political footholds in Latin America aims above all at one enemy: the United States. In all Nazi literature destined for Latin America the U. S. A. is pictured as an enemy seeking to keep Latin America in political and economic bondage.

The man who directs this campaign from the central office of the Chemical Trust is Dr. Max Ilgner, who works in the closest collaboration with the Nazi Foreign Office. In 1934 he was in Japan where he not only sold his poison gas and other products of chemical warfare but also prepared the political-military pact which later blossomed into the Axis alliance.<sup>1</sup> Two years later he conspired in South America. He appeared in Chile as the representative of the then Nazi Minister of Economy and President of the Reichsbank, Dr. Hjalmar Schacht. He stirred up the governments of South America against the trade treaties offered them by Secretary of State Hull and did everything he could to torpedo the Pan-American Conference in Buenos Aires. Mr. Hull himself informed the then American Ambassador to Germany, William Dodd, of this in a telegram dated Jan. 25, 1937.

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<sup>1</sup> See Ambassador W. Dodd's "Diary."

## HIDING BEHIND THE NAME OF CARL SCHURZ

### The Chemical Trust — Hitler's Battering-ram in America

Dr. Max Ilgner was not content with having the German Chemical Trust war on the United States in Japan and Latin America. He waged this war within the U.S.A. itself. Just as he hid behind the name of Humboldt in Mexico, in the United States he hid behind the name of Carl Schurz, the hero of German and American freedom. Ilgner was president of the Carl Schurz Memorial Foundation which financed swarms of agents from the Nazi Foreign Office in the United States. One of them, Heinz Kloss, was paid according to his own admission by this Carl Schurz Foundation. Returning to Germany after years of disruptive work in the U.S.A. he published a book through the publishing house directed by Alfred Rosenberg, "Volk und Reich." This volume called for systematic day-to-day work among the inhabitants of German origin of the U.S.A. in order to prevent their Americanization and bind them more firmly to Nazi Germany. This Kloss, who was paid by Ilgner of I. G. Farben to organize Nazi cells here, became shortly before the outbreak of World War 2 head of the United States section in the "German Institute for Foreigners," Nazi headquarters for the fifth column in the entire world.

Ilgner, the head of a mammoth Chemical Trust, is the prototype of the fascist strategist of the twentieth century who attacks the enemy both from within and without simultaneously. Connected with the assault on America's positions throughout the world and especially in Latin America is the work of inner disruption within the U.S.A. itself. The aim is to weaken this country's resistance to fascist economic and military aggression throughout the world and to win key positions in the U.S.A. itself. In this Ilgner has many accomplices. He is the nephew of the late president of the Chemical Trust, Hermann Schmitz, who died in 1941, as well as of Dietrich Schmitz who was head of General Aniline and Film Company, an I. G. Farben subsidiary in this country, until the American authorities removed him in 1941. His brother, Rudolf Ilgner, who lives in New Jersey, was president of the firm Chemnyco and until 1941 distributed I. G. Farben patents to the entire American continent.

But I. G. Farben, Europe's largest Nazi trust, had still other helpers in the U.S.A. The most powerful supporters of this Hitler agency were also the richest families of America: Ford with a private fortune of \$625,000,000, du Pont with \$573,000,000, Rockefeller (Standard Oil) with \$396,000,000 and Mellon (Alcoa) with \$390,000,000. The disclosures of Assistant Attorney General Thurman Arnold before a Senate committee in the spring of 1942 revealed that Standard Oil and I. G. Farben had made an agreement by which both firms were guaranteed world monopolies, Standard Oil in synthetic gasoline and I. G. Farben in chemical products, without any outside competition or competition from each other. This agreement gave I. G. Farben a monopoly on the American drug market and led to the following results:



Standard Oil delivered to I. G. Farben improved methods for producing synthetic rubber, but four years later—even after Pearl Harbor and America's entry into war—refused to give them to the U. S. government. The shortage of synthetic rubber which became evident in 1942 and which is so damaging to America's war effort is due to Standard Oil's behavior. This firm prevented for years the development of synthetic rubber in the United States in favor of I. G. Farben, that is, in favor of Hitler. On March 26, 1942, Thurman Arnold declared before the Senate Committee: "Standard Oil delayed the use of Buna rubber because the Hitler government did not wish to have this rubber exploited here for military reasons."

In 1940 Standard Oil refused the synthetic toluol to an American explosives firm although Nazi Germany had already received it.

In 1941 Standard Oil tried to furnish its aviation gas process to some French firms through I. G. Farben. At that time the French government was already a vassal of Germany and France's industries were producing for Hitler's war. Two years previously Standard Oil helped erect an aviation gasoline plant in Germany which proved vital for Hitler's robber-war.

Even in 1941 Standard Oil followed a policy of keeping the entire South American market free for the German Dye Trust by preventing other American chemical firms from gaining a foothold there.

Standard Oil tried to maintain its relations with the largest Nazi trust even after the Third Reich had declared war on America. Thurman Arnold quoted before the Senate committee the letter of the principal officer of Standard Oil concerning his negotiations with the I. G. Farben Trust in The Hague. The letter, dated Oct. 12, 1939, stated: "We did our best to complete plans for a modus vivendi which would operate through the term of the war whether or not the U. S. came in."

That is how the heads of Standard Oil aided Hitler's war potential and injured that of the United States.

Alcoa (Mellon) shared with I. G. Farben control over magnesium patents which were withheld from the rest of American industry, although magnesium is of vital importance in war production. The executives and directors of Alcoa were punished for this by the United States Government in April, 1942, and had to pay stiff fines. The cartel agreement of Alcoa with Hitler's aluminum interests limited production in America while Hitler received a sufficient supply of aluminum to build his enormous air fleet.

The firm of Remington Arms controlled by du Pont owns the patent for tetracene, a vastly superior chemical compound used as the combustion initiator in ammunition. Remington agreed in its cartel agreement with I. G. Farben not to sell any of this explosive in the British Empire and to permit production in American government arsenals only if I. G. Farben gave its previous consent! Yes, Remington Arms even pledged to guarantee to I. G. Farben royalties for the explosive which it would sell to the American government during the war! This control by the Nazis over a part of American production of explosives was revealed by Allen Dobey, special assistant to the Attorney General, before the Senate Patents Committee on April 18, 1942. Moreover, du Pont controls General Motors, which in turn owns one of the largest tank factories in Nazi Germany, the Opel Company in Ruesselsheim near Frankfurt am Main.

Henry Ford owns the Ford Works in Cologne in conjunction with I. G. Farben. In words and deeds, by his support of American isolationists, Ford performed such signal services for the Third Reich that he received the highest decoration of the Nazi State from Hitler.

General Electric (Morgan) and the German munitions-king Krupp have had a joint patent agreement which has considerably impeded the production of machine-tools, airplanes, tanks and armored plate in the U.S.A., in the production of which hard metals are necessary. This patent agreement, as John Henry Lewin, special assistant to the Attorney General, revealed on April 14, 1942, was based on "cemented tungsten carbide," a substance almost as hard as diamonds. On the basis of this agreement Krupp has been allowed to decide since 1936 which firms could produce this substance. Published documents have proved that long after the second World War began negotiations were on foot to prolong this agreement with Krupp until 1950. General Electric has an important interest in German General Electric (A.E.G.) which has been involved in Pan-German machinations and the board chairman of which, Dr. Buecher, is also on the board of Krupp.

Thus the most influential businessmen in America have preferred to give important secret processes and markets vital to the defense of their country to the enemy rather than to their own government; and not even the outbreak of war made them discontinue this activity altogether. Thurman Arnold has left no doubt about it: this goes far beyond the limits of business and borders on treason. With their "business-as-usual" policies several giant American trusts have preferred agreements with the Nazi trusts which are working to destroy America to the welfare and best interests of their own country. Who does not recall the part played both before and during the present war by the Polish barons, the French captains of industry de Wendel and Renault, the Dutch artificial silk magnate Fentener van Vlissingen and others?

### **What a Hitler Victory Would Mean for America**

Their apparently very profitable business with the I. G. Farben Trust and their deep sympathy with the Hitler regime which made short shrift of workers' organizations and the entire progressive movement in Germany made the great American trusts advocates of the Munich policy. They used their influence to strengthen the trend to isolationism. They divided up the world economically with the Nazi trusts and thereby favored the expansion of Adolf Hitler's political power. They made international cartel agreements with the enemies of America without even the State Department knowing about them. As late as the beginning of June, 1942, the Justice Department uncovered a list of 162 cartels which the German Dye Trust had entered into with American firms.<sup>1</sup> As America wages a war to the death with Hitler Germany these great trusts are still speculating on World War II ending with a strong fascist power ruling in the heart of Europe.

They think they are very shrewd in their policies. But they are most short-sighted. For the sake of short-lived advantages they are sawing off the limb on which they are sitting. In 1938 Europe, which is today under Nazi

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<sup>1</sup> Thurman Arnold in an address at the New York banquet of the National Federation of Sales Executives — Hotel Waldorf Astoria, June 5, 1942.



domination, took 54% of South America's exports. A victorious Hitler regime would make the importing of meats and grain, which the U.S.A. cannot take because she produces enough for her own needs, dependent on monopoly of the entire South American market by German industry. Thus South America would be shut and lost to the American export trade. And that would merely be the first step along the road to realization of the "Tannenberg" program for the annexation of South America. From economic to military penetration and seizure—the tragic lessons Europe has had in this notorious pattern will be automatically repeated south of the Rio Grande. But does anyone doubt that a Latin America economically, politically and militarily dependent on the Nazis—whether directly or indirectly—would constitute a fateful menace to the United States?

But even if one passes over for a moment the danger threatening South America, a Hitler victory in Europe would immediately sever the artery of American exports. The avowed economic aims of the Nazi leaders are to make the continent over which they rule autarchic and above all independent of American economic influences. Even before Hitler sought to translate this aim into reality, it was proclaimed by the I. G. Farben Trust. The president of I. G. Farben, Karl Duisberg, who has since died, declared on March 26, 1931, in Munich:

"Only a solid economic bloc from Odessa to Bordeaux will give Europe that economic backbone which it needs in order to maintain its position in the world."

What Hitler is temporarily achieving in this second World War therefore is nothing but the program of the German Chemical Trust. It was no accident that at the end of 1933, after ten months of Hitler rule, Duisberg made a sensational public avowal:

"A wave of fresh confidence and fresh assurance is running through German trade. The reason I see in the fact that for the first time the German government is not only making promises to trade and industry but is also acting. German economic interests feel confidence in the Reich Chancellor Adolf Hitler . . . I as an industrialist who bears the responsibility for a great undertaking with a hundred thousand working people assert in virtue of my own experience that it was the resolute will of the National Socialist Government which found the way to secure results in a surprisingly short time."<sup>1</sup>

To attain the goal of an autarchic Europe under Nazi dictatorship, the Hitler government with the vital co-operation of the I. G. Farben Trust increased enormously the production of foodstuffs, machinery, textile and ersatz materials. Before the outbreak of the present war 19.5% of the total exports of the United States went to the European continent. In 1937-38 40% of the raw cotton exported by the U.S.A. went to countries now dominated by Hitler. A third of all agricultural exports of the U.S.A. went to the same countries. A Hitler victory would mean shutting the European market, thus threatening the immediate existence of the farmers and cotton-producers of the U.S.A.—and yet it was precisely among the political representatives of these groups that many were found preaching a policy of isolationism which was a mortgage on a Hitler victory.

The Munich policy of the isolationists and the conspiracy of the great American corporations with the Nazi trusts aiming at world conquest have

<sup>1</sup> "Frankfurter Zeitung," December 1, 1933.

evoked deep mistrust in South America as to the sincerity of the good-neighbor policy, since the Nazi trusts are the very ones leading the struggle against the influence of the United States in South America. This policy has in the past done serious harm to the U.S.A. If continued it would lead to a loss of America's South American and European markets, hence to an economic crisis of indescribable proportions, with over 20,000,000 unemployed in the U.S.A., in short, to a national calamity.

To be sure, the American people have not taken the road to Munich; they have not been involved in the conspiracy of a few giant trusts; they have not allowed themselves to be "romanianized." In Romania the "Soya Joint Stock Company" of the German Chemical Trust became a go-between for the pro-Nazi "Iron Guard." The I. G. Farben representative in that unhappy country, Jonescu, was at the same time editor of "Curentul," central organ of the "Iron Guard" which drove Romania into serfdom under Hitler. But the American people have been aroused and they will prevent the "Tannenberg" program of 1911 from being fulfilled by Hitler and Ilgner. Together with the peoples of the rest of the world they will never allow the deadly swastika to fly on this or any other continent.

Of course there are groups whose spokesmen believe that even in the event of a Hitler victory over Soviet Russia and England some kind of modus vivendi could still be found between America and the Third Reich. They are wrong. The Nazis, like the Japanese warlords, know that their victory and their domination are built on shifting sands as long as there exists a powerful, independent United States. After a hypothetical victory they might be so weakened that they would offer the U.S.A. a long-term armistice. That would not mean peace but preparation and feverish arming for an eventual military clash. Nor can it be otherwise. By its inherent nature the fascist State cannot tolerate the existence of a great democratic State. Whoever does not think so would do well to read Hitler. In the second volume of his "Mein Kampf" he lays much stress on this viewpoint.

*Hitler and the Japanese war-lords must attack America even if they have conquered the rest of the world, because this country is their greatest business competitor and their hunger for the vast sources of raw materials and the markets of the Western Hemisphere is insatiable. They must attack America because as long as the Declaration of Independence and the Bill of Rights are honored here the oppressed peoples of the earth will direct their hopes towards the United States and expect help from this country. If 160 years ago America's Revolutionary War aroused such enthusiasm in Europe, today these sentiments have multiplied. For in the mind of every European America has become the symbol of everything Nazism has destroyed: free speech, free assembly, free trade unions, free farmers, free press, free religion and free culture!*

*No, there is no compromise possible. Hitler and the Japanese war-lords are bent on allowing America of the future to exist in only one form: as a fascist vassal-state with some Fritz Kuhn or other in the White House . . .*



## QUO VADIS, GERMANIA ?

Ancient history tells of an adventurer named Pyrrhus. Twice this King of Epirus attacked Italy and defeated the Roman armies. But they were victories which cost him dear—Pyrrhic victories. And three years later when he again crossed swords with the Romans, they had meanwhile mastered his art of war and so in 275 B. C. they routed him completely.

We are in the fourth year of the second World War. Hitler's Blitz is functioning no longer. His tanks have lost their demoralizing surprise effect. Just as many centuries ago was the case with the war-elephants of the adversary of Rome. Hitler's victims can no longer be terrorized by Nazi war tactics; and indeed they are paying him back in the same coin. His successes in 1942 have been achieved at a cost of terrible sacrifices which threaten his own "home front." Signs of disintegration increase. Goebbels himself admits that the number of Germans summarily executed at home has increased. Like mushroom after rain, trials are multiplying against so-called smugglers, black market operators, hoarders, spreaders of "false reports" and listeners to foreign radio broadcasts. We are receiving more and more details concerning differences within the ruling group itself. The Nazi ship of state is springing its first leaks; and some of the rats are already preparing to desert it.

So it is time to issue a warning. The more difficulties the Hitler dictatorship encounters, the stranger twists and turns it will make. As military complications and defeats shake the regime the various sections of the ruling class will draw apart from each other. The united front of armaments-kings—Chemical Trust—top Nazi bureaucrats—big bankers—generals and Junkers will be shattered in the death struggle of the Hitler dictatorship and dissolve into individual components, each of which will seek its own salvation at the expense of the others. The first fissures are already plainly perceptible. Hitler has generals removed and shot. Undoubtedly he will have recourse to social demagoguery, in order to divert the people's wrath to some of those who have hitherto been his allies.

On the other hand, the generals and financial magnates will try at the last moment to erect a "democratic" facade for the State, behind which they will continue their traditional anti-popular and anti-democratic maneuvers. They will present themselves to the outside world as the guardians of order and the fighters against bolshevism and anarchy. One does not have to be a prophet to predict that they will find willing accomplices in America and England whose behavior is determined less by their desires to establish a lasting peace than by their appetite for profits. Above all, these will be the "appeasers," and their spokesmen, the Hearst, Hamilton Fishes, Rankins, the men of Munich and the 5th columnists. Already their policy of surrendering collective security made Hitler strong and paved the way to the unleashing of this second World War. But to accept the offers of those German generals and finance-capitalists who will reveal their "opposition" to the Nazis at the very last minute of the

eleventh hour would mean giving German imperialism a new lease of life and allowing it to prepare a new world war.

If it is clear that a "reform" of Nazi rule without the swastika, a military dictatorship without the Hitler salute would only be a continuation of the Hitler regime—what then should become of Germany? What is the best method to prevent the juggernaut of German militarism from ever again crushing the peoples of Europe and threatening Africa, Asia and the Americas with the same fate?

Lord Vansittart, former Under-secretary in the British Foreign Office, demands "prolonged occupation by all the Allies of all Germany, complete destruction of the German army, drastic control of German armament-making firms, disarmament of all Germans for at least a generation." (Speech of February 18, 1942.)

The Polish Finance Minister, H. Strasburger, declares that "industrial disarmament of Germany is imperative."

The Director of the Polish Information Center in the United States, Stefan de Ropp, tirelessly re-iterates in his "Polish Review" that Poland should annex East Prussia.

The writer Emil Ludwig sees salvation in treating Germany like Egypt: foreigners should edit the German press, foreigners should educate German youth in the schools, foreigners should form the German government and take over the police functions in the Reich.

The Hapsburgs, Austria's former rulers over the "prison of peoples" together with certain clerical and political groups in various other countries preach the partitioning and splitting up of Germany into a Northern and a Southern state. The latter, united with Austria, is to be placed under the rule of the Hapsburgs or of the former royal family of Bavaria; while the Northern state is to be weakened by making its economic center, Rhineland-Westphalia, either independent or part of France.

Those who are so busy drawing up blueprints for the deindustrialization of Germany ought to be told that you cannot prevent the development of heavy industry in a region in which nature has provided such vast resources of coal and iron ore in the earth in close proximity to each other. You cannot take a highly industrialized nation and force it back into the mold of a mediaeval agrarian state—unless you want to imitate Hitler. Of course, you can temporarily enforce your aims with armies of occupation, international control commissions, and forcible demolition of German factories and mines. Germany can be dismembered.

But at what a cost! Nationalist passions would inevitably be once more aroused in the Reich because the process of de-industrialization and territorial partitioning would leave the population jobless and in misery, an easy prey to fanatic nationalist demagogues. So then the third world war would fall due in 1960 or 1970. The United Nations have every reason to prevent the rise of a new Hitler. They can achieve this neither by destroying German industry nor by dismembering the Reich nor by post-war education offered at bayonet-points by an international police force stationed for decades in Germany. History shows that no people accepts such "education."

Re-education of the German people? This slogan which is now frequently



bandied about in drawing-room discussions is nothing but a slogan. The ruling cliques of Germany cannot be re-educated, the oppressed German people do not have to be re-educated. They fought against the Nazis when no one in the outside world was even aware of the menace. In this struggle they have made terrible sacrifices, especially in the past 12 years. The full extent of the toll will only be revealed in future years. It is up to these men and women of the German Underground, all those who actively and passively have defied Hitler's chauvinism and barbarism to re-educate German youth which has been poisoned by Nazism. They will of course be glad and proud to receive help and advice from the democracies in the rest of the world. But they do not need and they do not want dictation and control from abroad.

You cannot drive out the devil with Beelzebub. The injustices wrought by Hitler will not be made good by turning his policy of national oppression against Germany itself. By common language, traditions, economy and culture Germany has become a nation. To dismember it would be to create an ever-virulent seat of international conflicts and would thus lead to the balkanization of Central Europe.

At the present stage of the war even propaganda for such a partitioning of Germany turns out to be a dangerous thrust in the back of the United Nations, a dangerous weapon in the hands of a Goebbels whose speeches and articles since 1941 have taken their cue from the arguments of the Vansittarts and run something like this: "Hitler must win because our enemies wish the extermination of Germany and our dismemberment as 300 years ago in the Peace of Westphalia." There is no doubt about it: a sizable section of the German people and army is continuing to fight not because it supports the Nazi regime but only because it fears the extermination of Germany.

The existence of German heavy industry is not dangerous. It remains dangerous only so long as it is in the hands of a small group of reckless marauders bent on world conquest.

The existence of the German nation is not a menace to the peace of the world. Germany remains a menace only so long as it is ruled by the Nazi barbarians.

It is not the existence of a German army in itself which arouses fear and uneasiness in Europe and the world. Only so long as it remains in the hands of the Junker and Nazi generals who live only for war will this army be a threat to the peace loving people.

The Soviet people has suffered most at the hands of the Nazi murderers. Its blood has flowed in torrents. Yet it is precisely the leader of Soviet Russia, Joseph Stalin, who has taught the Vansittarts a stinging lesson. The desire for revenge would in his case be most understandable; yet on February 23, 1942, in his speech to the Red Army and the world Stalin declared:

"The experience of history shows that Hitlers come and go, while the German people and the German state remain."

This German people, whose three revolutions in the past—the Peasants' War in the 16th century, the uprising of 1848 and the upsurge of 1918-19—have been drowned in blood, will successfully complete its fourth revolution. It must avenge tens of thousands whom Hitler has slain on the executioner's block, against the walls of S. S. barracks and in concentration camps. It must

avenge millions of dead and maimed, victims of Hitler's lust for war and aggression. It will make short shrift of the murderers whose terror has spread the same shroud over the German people and the subjugated nations of Europe. It will lay the basis for a German democracy and as its first task destroy the political power of the German reactionaries by liquidating their social props.

The coming German people's government will expropriate the I. G. Farben Trust and the mining magnates. It will nationalize Germany's coal resources and iron and steel industry. Thus the Chemical Trust and heavy industry in Germany will cease to be instruments of the imperialist appetites of a few armament-kings. Henceforth they will serve the needs of the people and play a peaceful part in international business relations.

The coming German people's government will expropriate the 3,000 German Junkers. Their holdings of 5,500,000 hectares, 3,000,000 of which are arable land, will be distributed to the farm laborers and small farmers. Thus the centers of economic inefficiency and political reaction, of feudal landlordism and caste-arrogance will be removed—and the power of the Junker generals will be torn up by the roots.

To maintain the big industrialists—the Krupps, Roechlings, Voeglers and their like—in power means giving them a chance to undermine and destroy the new German republic by bringing a second Nazi movement into being, by financing it and installing it in power. To expropriate them, to turn German heavy industry from an instrument of aggression in the hands of a few armament-kings into a workshop of peaceful production for the benefit of the whole people means to deal a death-blow to imperialism and to cut the ground from beneath any reactionary chauvinist movement.

To sweep away the remains of mediaeval feudalism and give back to the peasants and farm laborers what the aristocrats have forcibly taken from them in the course of the years means to spare the coming German republic the age-old dualism of town versus country. Millions of peasants will become the most loyal pillars of the regime. It will be a latter-day imitation of the American Revolution which expelled 100,000 Tories and confiscated their estates; and of the French Revolution which ushered in the era of liberty, fraternity and equality by expropriating the feudal lords, stripping them of their power and their heads.

The future German people's government will destroy the entire apparatus of the present-day army which is nothing but an instrument of aggression against the German people and the peoples of the world. A people's army must take the place of the marauding army of German imperialism. Reliable democratic officers for this army are already available: they are the thousands of German veterans of the International Brigades who fought for Republican Spain and the German soldiers who are today fighting in the armies of the United Nations. This people's army will safeguard the political and economic gains of the coming German revolution against all reactionary onslaughts.

These three measures for liberating the German people from its enemies, who are likewise the enemies of world democracy, form the basis for the cleansing and radical reconstruction of the state and military apparatus. With Hitler must disappear those forces which created his party and his regime, the beneficiaries of his policies both in peace and war.



The triumph of the United Nations is certain if the war is waged in the spirit with which the Red Army is inspired, in the spirit which knows neither treason nor surrender nor that despicable "business-as-usual" sentiment which enters battle only if 99% sure of victory. Victory is certain if the United Nations remain militarily and politically united, but it must not be tossed away. Millions will have poured their blood in vain if in Germany the same class remains in power, that class to which war is a be-all and end-all. So too the millions of victims will have fallen in vain if under the pretext of "educating Germany" a policy of revenge is adopted, inevitably pointing to a new war.

The best education of the German people is its self-purification by the cleansing fire of revolution. The allies of the Western powers and of the Soviet Union are within the Third Reich itself. They are the millions of German working people who have always been world-minded and who for a decade now have been kept down by bayonets, machine-guns and concentration camps. Their ideas and ideals coincide with the interests of world democracy. The democratic world will defeat the armies of German imperialism on the battlefields of Europe, Africa and Asia. But the task of extirpating its roots can be solved only by the German people themselves.

The German revolution will break out as a result of two combined campaigns: the action of the most progressive forces inside Germany and the military successes of the United Nations. Here we see a curious dialectic process at work. The more crushing the military blows dealt by the Russians, the British and the Americans to Nazi imperialism, the more powerful will the inner opposition inside Germany become. The more boldly the German opposition raises its head, the smaller will be the cost of victory to the United Nations and the quicker will the second World War come to an end. Developments inside Germany and the struggle on the fighting fronts are reciprocally intertwined. Without a victory by the United Nations there can be no successful German people's revolution. Without a successful German people's revolution the victory of the United Nations remains incomplete. For to prevent the seeds of a third world war from taking root in Germany, the Reich must be reconstructed from the ground up.

A Germany cleansed from top to bottom, built up on a democratic basis, will enjoy the confidence of the world. Its political, cultural and economic relations with other countries will be based on the principles of collective security and equality of rights. America can live on a friendly basis with such a Germany; and this friendship will find expression in closer business relations. In the last two years before Hitler's accession to power Germany took about one-eighth of her imports from the U.S.A. This country's cotton, fats and mineral oils found a wide market in Germany, while we imported from Germany finished textile goods, pharmaceutical and chemical products, furs and hardware. The balance of trade was very active in America's favor. Then came Hitler. His business relations with the outside world were solely for the purpose of furthering his war preparations. Thus all confidence was destroyed in Germany's business integrity. The coming democratic Germany—no matter what its inner political structure, so long as it has done away with its imperialist rulers in uniform and civilian dress—will again become a valuable business associate of our country. This will be evident when Germany has

to build on the ruins of the war conjured up by Hitler. It will urgently need all sorts of materials for its reconstruction work.

The United States of America, which has condemned the evil spirit of imperialism in no uncertain terms in the speeches of Vice-President Wallace and other leading statesmen, and the new people's democracy in Germany will enjoy friendly relations with one another. This friendship will be marked by a fertile exchange of ideas and by foreign trade favorable to both parties. The more deeply our own institutions, our government, our economy, our Congress and all our home policies are imbued with the spirit of real democracy, the less will the German people be incited to hostility against us by tirades of Goebbels against "the corrupt American dollar-democracy." And the more passionately will it seek peace today so that tomorrow it may become the trusted ally of all peace-loving peoples, thus transforming the Reich from the symbol of hated terror to all nations into a land of peace and freedom.

Then the German-Americans will no longer have to be ashamed of the land of their origin. They see today how the Nazi regime has incited the scum of their countrymen to plunge a dagger into America's back. Then justice, morality and culture will again find a place in the heart of Europe; and Germany will emulate the great men and movements which once won for it the respect and sympathy of the entire world.

It depends to a considerable extent on the German-Americans themselves to bring this about. It also lies in their hands to find a suitable solution for the German people. Whoever today aids the sabotage of the "Bundists," the Nazi Fifth Column—whether actively or even only passively—harms the German-Americans who have to suffer widespread mistrust and discrimination because of the criminal acts of the Fritz Kuhns and Kunzes. But he also harms the German people. Because only when the German-Americans prove, not merely by written or spoken words but by deeds, that they detest the Nazi regime and mean to fight it to the death—only then will they earn the moral right to bring their weight to bear in favor of a peace which will certainly show no mercy to the Hitlerite monsters but will show compassion and understanding for the German nation.

Since 1933 the Nazis have brought disunity and terror into the camp of the German-Americans. Today they are beating at the gates of our country with armored fists. Let the German-Americans prove themselves worthy of the illustrious name of Carl Schurz, who was a revolutionary German and an American, who in the second half of the preceding century symbolized everything that was clean, anti-reactionary and anti-imperialist in this country. Just as 80 years ago on the battlefields of the Civil War he opposed the race-haters with dauntless courage, so today history has given his spiritual descendants the task of fighting in the front ranks of freedom against the slave-world, the race-haters of the twentieth century.

In the name of the salvation of our new Fatherland!

In the name of the liberation of our former homeland!



# A P P E N D I X

## GERMANY'S BIGGEST LANDOWNERS

At the start of the second World War the 25 most important landowners in Germany were:

Kaiser Wilhelm II's family.....	97,000	hectares
Prince of Pless.....	50,000	hectares
Prince of Hohenlohe.....	48,500	hectares
Prince of Hohenzollern-Sigmaringen.....	46,000	hectares
Prince of Solms-Baruth.....	38,700	hectares
Ernst von Stolberg-Wernigerode.....	36,700	hectares
Duke of Ratibor and Prince Hohenlohe-Schillingfuerst.....	31,100	hectares*
Duke of Anhalt-Dessau.....	29,300	hectares
Count Thiele-Winkler.....	28,800	hectares*
Duke of Ahrenberg-Nordkirchen.....	27,800	hectares
Count Schaffgotsch.....	26,800	hectares*
Leopold Prince of Prussia.....	25,000	hectares
Count von Bruehl.....	22,900	hectares
Count Fink von Finkenstein.....	21,000	hectares
Prince Frederick Henry of Prussia.....	17,100	hectares
Duke Albrecht of Wuerttemberg.....	16,100	hectares
Prince Schaumburg-Lippe.....	15,700	hectares
Prince Henkell von Donnersmarck.....	15,000	hectares*
Family of Field Marshal von Kleist.....	15,200	hectares
Grand Duke of Oldenburg.....	13,800	hectares
Prince Richard Sayn-Wittgenstein.....	12,000	hectares
Duke of Saxe-Coburg-Gotha.....	10,400	hectares
Hereditary Prince Josias of Waldeck.....	10,000	hectares
Prince Philipp of Hesse.....	7,000	hectares

## CAPITAL OF JOINT STOCK COMPANIES

With capital under 100,000 marks			With capital 100,000—500,000 marks		
	No.	Capital in millions		No.	Capital in millions
End of 1931	2720	98.6	End of 1931	3340	762.3
End of 1936	1445	62.1	End of 1936	2418	579.1
End of 1939	526	21.6	End of 1939	1687	402.4
End of 1940	447	18.3	End of 1940	1681	400.7

## PERCENTAGE OF THE TOTAL CAPITAL

End of 1936	20.1	0.3%	End of 1936	33.6	3.0%
End of 1940	8.3	0.1%	End of 1940	31.1	1.9

## CAPITAL OF LIMITED LIABILITY COMPANIES

Capital under 20,000 m.			Capital 20,000 - 100,000 m.		Capital 100,000 - 500,000 m.	
	No.	Capital in mill.	No.	Capital in mill.	No.	Capital in millions
End of 1936	8875	53.0	23179	699.0	5563	1060.9
End of 1939	4027	24.6	13846	436.2	4114	795.1
End of 1940	3661	23.0	13346	424.8	4266	824.8

## PERCENTAGE OF TOTAL CAPITAL

End of 1936	22.6	1.0	59.1	13.8	14.2	20.9
End of 1940	16.0	0.4	58.3	8.2	18.6	16.0

\*NOTE. The Silesian magnates knew what they were doing when they greeted with enthusiasm Hitler's war against Poland. By the partitioning of Upper Silesia in 1921 Count Thiele-Winkler had lost 15,900 hectares, Count Schaffgotsch 2,600 hectares, the princes and counts of Donnersmarck 37,000 hectares, the Prince of Hohenlohe-Ingelfingen 18,700 hectares, the Counts of Ballestrem 4,900 hectares, and the Duke of Ratibor 2,600 hectares to Poland. In 1940 all their property on Polish soil was again restored to them.

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"We appreciate the work done by the German American League for Culture, especially the efforts of the League to inform German Americans of the necessity of following the traditional progressiveness of the early German settlers who came to America because they believed in democratic ideals."

*Office of War Information, Foreign Language Division,  
Washington, D. C., on September 24th, 1942.*

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The German American League for Culture, which came into being in 1935, succeeding the Antifascist Action, has fought from the first day of its inception against Nazism and its troopers. It has brought to the attention of the American public the dangers of the Nazi-propaganda to the American way of life and to the security of our nation.

Inspired by the ideas and the progressive traditions of Steuben and Carl Schurz, the German American League for Culture sets itself to-day the task of unifying and mobilizing the masses of German Americans for the victory of the United Nations over Fascism.

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## WHAT THEY SAY ABOUT "THE THUGS OF EUROPE"

Heinrich Mann, famous German writer in exile and former president of the Prussian Writer's Academy:

"This book is bound to make an indelible impression on readers who look at the world with open eyes . . . It gives in 85 pages the horrible facts of 10 years of Nazism."

Andre Simone, author of "J'Accuse" and "Men of Europe", in the anti-Nazi monthly *Freies Deutschland*:

"America is getting a wealth of reports from diplomats, journalists and eye-witnesses who have returned from the Third Reich. Many of them present an abundance of hitherto unpublished material about Germany. But for factual documentation, none of them can equal Norden's book . . . These 85 pages are a guide to National Socialism, a Baedeker to the Third Reich. This book must be read by all those who want to know what Nazism is, what its aims are and what must happen after its defeat—so as to prevent it from ever rising again."

Julius Deutsch, former Austrian War Minister:

". . . A careful study of the economic foundations of the Nazi Reich. The wealth of statistical material and the clear presentation of the key problems make Norden's booklet a most valuable contribution to anti-Nazi literature."

Kurt Rosenfeld, former Minister of Justice and member of the German Reichstag, in the "German American":

"Only a person who has seen National Socialism at its birth and then witnessed its rise to power in Germany could describe Hitlerism as masterfully as Norden has done."

New York *Staatszeitung*:

"The booklet contains much that is interesting, particularly with reference to the depredations of German banks and industrial enterprises in the occupied countries. Norden's presentation . . . offers much that is worth reading . . ."

Joseph Starobin in "New Masses":

". . . This brief but very well documented, and thoroughly frightening pamphlet . . . It is the feature of Norden's work that it combines an intensive statistical account with a broad historical grasp . . . a thoroughly readable and popularly useful work . . . It's a booklet that deserves several more editions. For it is particularly necessary as we approach the supreme crisis and defeat of Hitlerism, that many more Americans understand its fundamental nature."

Paul Merker, former Reichstag deputy, Secretary of the "Freies Deutschland" movement in Latin-America:

"I have read Albert Norden's booklet "The Thugs of Europe" with the greatest of interest. In its concentrated form, it gives the most revealing picture of the reactionary, imperialist forces on which Nazism is based. At the same time it is an exceptionally valuable contribution to the problem which is being discussed so widely in the Americas: Is Nazism identical with the German people?

"In his analysis Norden has clearly demonstrated that the aggressive, imperialist German plutocrats, the Junkers and generals with their enormous political and economic power, have succeeded in duping wide sections of the German people and in poisoning German youth; but despite this, the prerequisites for the formation of a strong, democratic anti-fascist opposition exist in Hitlerite Germany. And this opposition, together with Hitler's military defeats, will achieve final victory over Nazism."

George Seldes, well known author, journalist and editor of "In Fact":

"Everyone interested in fighting Fascism and knowing the truth about Nazism in big business should read the entire pamphlet."

Professor Walter Rautenstrauch, of Columbia University:

"This little book should be read by every American citizen because it shows how the foundations of civilization in Europe were undermined. It is important for us to read this book in order that we may be aroused sufficiently to combat the same forces that are working to undermine our democracy. The Lords of Europe delivered their countries into Hitler's hands because they feared the people more than they feared Hitler. They, too, made many pious and solemn statements about working for a better world, only for the purpose of deceiving the people. Many of these thugs are seeking the support of unthinking people to help them to return when the war is over. If this book is widely read and understood, Europe may yet be saved for the people."

Dr. Jacob Auslaender, head physician of the Workmen's Benefit Fund of the United States of America, in the monthly "Solidarity":

"The book is small in size but contains a wealth of information, diligently assembled and clearly interpreted. It deserves distribution in millions of copies."



